



2021
**ANNUAL
REPORT**

GENESIS

Together

**WE MAKE A
BETTER PLACE**





Table of **CONTENTS**



6

MESSAGE FROM THE PRESIDENT AND CEO

8

GENESIS PROJECTS AND COMMUNITIES

10

COMMUNITY INVOLVEMENT

12

MANAGEMENT'S DISCUSSION & ANALYSIS

49

CONSOLIDATED FINANCIAL STATEMENTS

86

CONTACT INFORMATION

Message from the
**PRESIDENT
AND CEO**



Driven primarily by a strong housing market, Genesis is pleased to report earnings of \$10.9 million for 2021. This marks the 21st consecutive year we've reported positive earnings. Annual revenue of \$109.8 million was achieved largely from 191 home sales and 247 lot sales. The year was capped in December by the completion of our first equity issue since going public in 1998. Supported by a solid financial position, a strong new-home market, and a turnaround in the Alberta economy, we are well-positioned to take advantage of our growth opportunities.

Moving forward, we expect tight housing market conditions to continue amid an environment of very low supply of serviced lots and increasing demand in the Calgary housing market. Alberta's relative housing affordability continues to attract newcomers who dream of home ownership.

Key challenges in 2022 will be the management of supply-chain issues in both our housing and land divisions and, most critically, achieving key land approvals for three, possibly four, new projects nearing the end of the approval process. High demand is expected to continue, fueled by the strong economy, relative price and lifestyle attractiveness of the Calgary Metropolitan Area compared to other Canadian markets and expanded international immigration targets set by the federal government.

In 2021, we invested \$43.2 million in new communities, creating 295 new residential lots and 10.9 acres of multifamily and commercial land parcels. Genesis also announced the acquisition of a 157-acre parcel of land in the Belvedere area for future residential development in east Calgary. We expect to close the acquisition and finalize development approvals for this property in 2022.

In December, \$30 million of new capital was raised by way of a rights issue, bringing our net cash (less loans) position to \$31.3 million at December 31, 2021. This cash and our unlevered balance sheet will be utilized to fund the growth that we are positioned to deliver in the upcoming years.

The net cash position of \$31.3 million, two recently acquired land parcels (Lewiston and Huxley), 141 new home sales orders on hand on December 31, 2021, five home-building opportunities in "Third-Party Communities" – communities being developed by other developers - and key additions to our management team help create the necessary pillars for growth.

Supporting our growth is the strong local economy. Alberta has turned the corner economically, with GDP growth of 8.2% in 2021 and RBC predicting GDP growth of 5.9% in 2022. Driven by higher oil and natural gas prices and royalties, the Government of Alberta in its recent budget indicated that it expects to achieve a close to a balanced budget for the fiscal year ending in March of 2023.

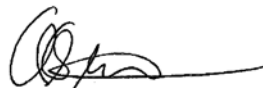
Operational Highlights from 2021:

- **Earnings** – Earnings attributable to equity shareholders reached \$10.8 million (\$0.24 per share) up from \$0.2 million (\$0.00 per share) in 2020. This result is directly attributed to strong home and lot sales activity. Revenues topped \$100 million for the second consecutive year, at \$109.8 million, and \$43.2 million was invested in our land servicing program up from \$23.5 million in 2020.

- **Home Sales** – Genesis closed 191 home sales in 2021, recording \$92.4 million in revenues from home sales. 249 new home orders were entered into with 141 firm home sales orders carried into 2022. Genesis' home building division for the first time began selling homes in Third-Party Communities; opportunities in five Third Party Communities have been secured.
- **Lot Sales** – 247 lot sales were recorded in 2021; 60 of these sales were to third-party builders (non-Genesis owned) for sales revenue of \$11.4 million. Moving into 2022, Genesis had 98 lot sales commitments from third-party builders on December 31, 2021.
- **Equity Issue** – A rights issue of 15-million shares netting just under \$30 million, fully subscribed by existing shareholders, was completed in December 2021.
- **Development Approvals** – Development approval processes continued to advance on all Genesis projects including four important future developments, being Logan Landing (354 acres), Lewiston (130 acres), Huxley (157 acres) and the OMNI (185 acres). In 2022 each of these projects enter the final stages of approval and all could be under development in 2023.
- **Net Cash Position** – On December 31, 2021, Genesis held \$64.0 million of cash, which was \$31.3 million higher than our total outstanding loans of \$32.7 million. This conservative cash/debt position helps set the foundation from which Genesis will grow in the upcoming years.
- **Acquisition** – Genesis entered into a binding agreement to acquire a 157-acre parcel of future residential development land in east Calgary at a cost of \$29.15 million. Now called Huxley, this community is expected to commence development in 2023.

I want to thank all members of our team, including staff, consultants, and contractors, for their extraordinary work, and our board of directors for their consistent support and guidance. Our strong performance during 2021 is a testament to the entire team.

Additionally, I would like to thank our shareholders for their strong support as demonstrated by the fully subscribed rights issue. This support is a fundamental to the strong foundation Genesis has established to deliver even more exceptional homes and communities as we move forward.



IAIN STEWART
President and Chief Executive Officer

March 1, 2022



SAGE HILL CREST
BAYSIDE

LEWISTON

SADDLESTONE

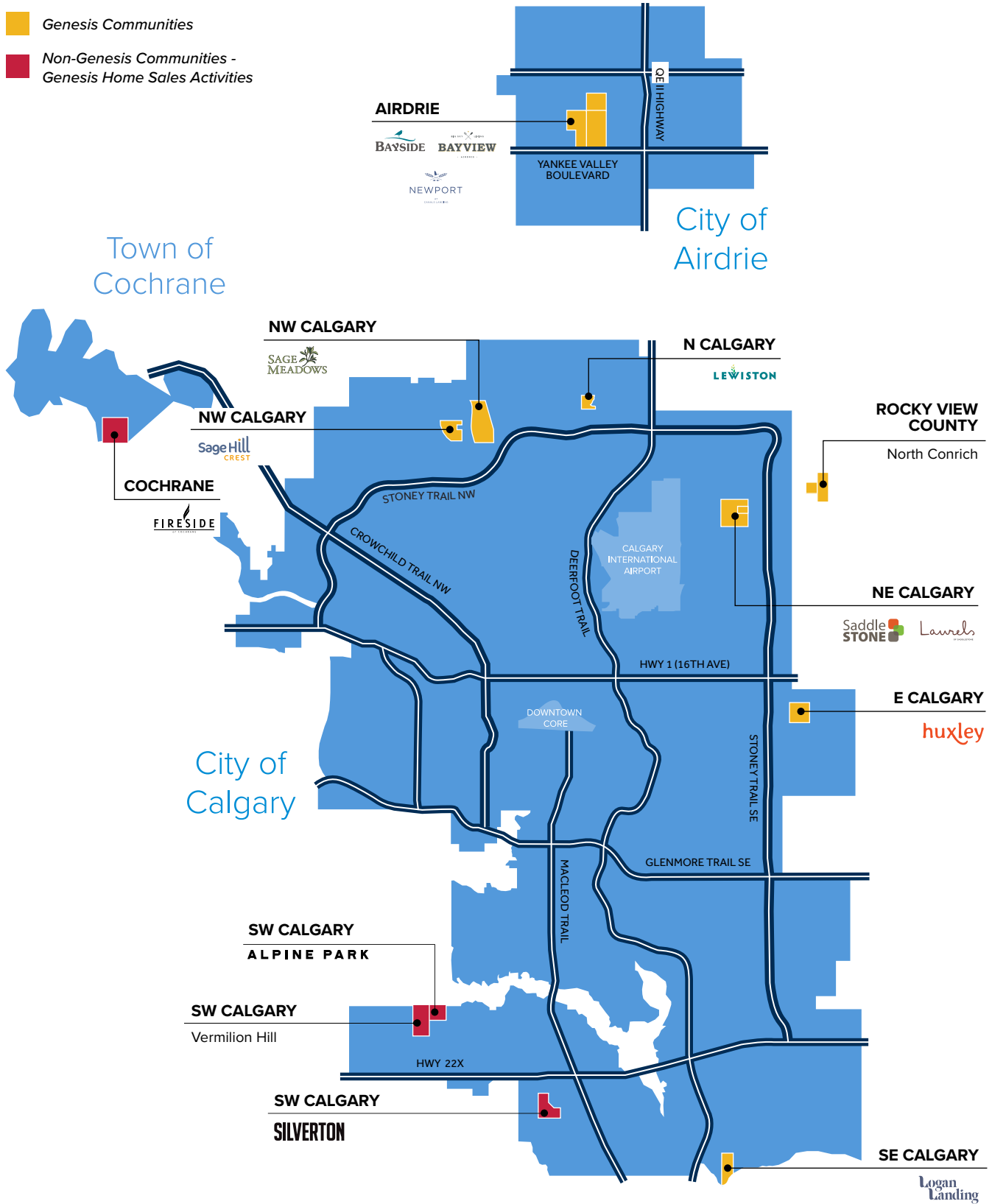
BAYVIEW

SAGE MEADOWS

HUXLEY

LOGAN LANDING

- Genesis Communities
- Non-Genesis Communities - Genesis Home Sales Activities



Genesis Projects and COMMUNITIES

An aerial photograph of a park. In the upper right, there are two tennis courts with blue and green surfaces, enclosed by a black fence. A paved path winds through the park. In the lower half, a large, semi-circular stone amphitheater is built into a grassy slope. Several people are sitting on the stone tiers. To the right of the amphitheater is a circular, light-colored paved area where one person is sitting. The foreground shows young trees and mulch.

Community
INVOLVEMENT



NE CALGARY

Genesis Centre Inspiring Community Wellness

The Genesis Centre of Community Wellness is a great example of our role as a community builder. Community leaders in Northeast Calgary were determined to bring the dynamic and diverse cultures of the local communities together to promote safe, cooperative and actively healthy neighbourhoods. To realize their dream, these visionary leaders founded the Northeast Centre of Community Society (NECCS), an organization dedicated to the challenge of building a facility that would serve the sport, recreation, educational and cultural needs of the northeast. We saw the opportunity to support and fund this incredible facility as a perfect alignment of our core values. The dream quickly started to take shape, gaining support and funding from the City of Calgary and YMCA, along with a generous naming sponsorship from Genesis.

Genesis continues to play a part in the support of The Genesis Centre – a 225,000 square foot, \$120 million multi-purpose complex built to enrich the health, wellness, and unity of communities in Northeast Calgary.



AIRDRIE

Genesis Place

Genesis Place, the amazing recreation facility in Airdrie, acts as a gathering place, hub of activity and true heart of the community. We are proud of our commitment and on-going support of Genesis Place and what it means to the quality of life for the community of Airdrie.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2021

The Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Genesis Land Development Corp. ("**Genesis**", "**the Corporation**", "**we**", "**us**", or "**our**") should be read in conjunction with the consolidated financial statements and the notes thereto for years ended December 31, 2021 and 2020, prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The consolidated financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of three independent directors, and approved by the board of directors of the Corporation. Additional information, including the Corporation's Annual Information Form ("**AIF**") is available on SEDAR at www.sedar.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. Basic and diluted earnings (loss) per share, cash flows from operating activities per share (basic and diluted), and dividends per share for prior periods have been recalculated to account for the impact of the Corporation's share issue pursuant to a rights offering that closed on December 17, 2021. This MD&A is dated as of March 2, 2022.

STRATEGY AND 2021 BUSINESS PLAN

Strategy

Genesis Land Development Corp. (“Genesis” or the “Corporation”) is an integrated land developer and residential home builder operating in the Calgary Metropolitan Area (“CMA”) holding a portfolio of well-located, entitled and unentitled primarily residential lands and serviced lots in the CMA.

As a land developer, Genesis acquires, plans, rezones, subdivides, services and sells residential lots and commercial and industrial lands to third party developers and builders, and sells lots and completed homes through a wholly-owned subsidiary, Genesis Builders Group Inc. (“GBG”), its home building division. The land portfolio is planned, developed, serviced and sold as single-family lots and townhouse, multi-family and commercial parcels at opportune times with the objective of maximizing the risk adjusted net present value of the land and to maximize net cash flow.

GBG designs, builds and sells homes on a significant portion of its single-family lots and its townhouse land parcels. GBG also acquires single-family lots from other land developers to build and sell single-family homes in additional CMA communities.

Genesis manages its financial position by prudently and opportunistically allocating its cash resources among the following:

- Maintaining a strong balance sheet as the priority;
- Acquiring and developing land either directly or through land development entities; and
- Paying dividends and/or buying back its common shares.

Highlights:

- **\$109,761 of Revenues in year-end (“YE”) 2021:** Higher sales volumes generated revenue of \$109,761 in YE 2021 up from \$103,933 achieved in YE 2020. Fourth quarter (“Q4”) 2021 revenues of \$26,531 were higher when compared to \$19,817 generated in Q4 2020.
- **Net Earnings in YE 2021 were \$10,877:** Net earnings were positive for the 21st consecutive year with net earnings attributable to equity shareholders in YE 2021 of \$10,877 (\$0.24 net earnings per share - basic and diluted), compared to \$199 (\$0.00 net earnings per share - basic and diluted) in YE 2020. Net earnings attributable to equity shareholders in Q4 2021 were \$4,252 (\$0.09 net earnings per share - basic and diluted) compared to \$125 (\$0.00 net earnings per share - basic and diluted) in Q4 2020.
- **191 Homes Sold - up 17% from 2020:** In YE 2021, Genesis sold 191 homes, an increase of 17% from the 163 sold in YE 2020. In Q4 2021, Genesis sold 51 homes, compared to 28 sold in Q4 2020. During YE 2021, Genesis had 249 new home orders compared to 192 for YE 2020. Genesis had 141 outstanding new home orders on hand at December 31, 2021 (83 at December 31, 2020).
- **247 Lots Sold - up 10% from 2020:** In YE 2021, Genesis sold 247 residential lots (60 to third-party builders and 187 through its home building division, GBG), an increase of 10% from 225 lots in YE 2020 (62 to third-party builders and 163 through GBG). In Q4 2021, Genesis sold 49 residential lots (2 to third-party builders and 47 through GBG) compared to 30 lots in Q4 2020 (2 to a third-party builder and 28 through GBG).
- **\$29,150 Land Acquisition:** In YE 2021, Genesis entered into a binding agreement to acquire approximately 157 acres of future residential development land in the City of Calgary. Genesis paid a non-refundable deposit of \$2,186, with the balance of \$26,964 to be paid on closing, scheduled for April 2022. This project, now called “Huxley”, is expected to be under development in 2023.
- **\$50,000 Corporate Revolving Line of Credit:** In YE 2021, Genesis put in place a \$50,000 three-year fixed term secured corporate revolving line of credit with MCAP Financial Corporation at an interest rate per annum equal to the higher of prime +1.90% or 4.35%.
- **\$30,000 Rights Offering:** Genesis successfully closed a rights offering on December 17, 2021, issuing 15,000,000 common shares of the Corporation at \$2.00 per share for gross proceeds of \$30,000, representing 100% of the total rights offered.
- **Cash on hand of \$63,975:** On December 31, 2021, Genesis had \$63,975 in cash and cash equivalents, which exceeded outstanding loans and credit facilities balances of \$32,668 by \$31,307.

OPERATING HIGHLIGHTS

Key financial results and operating data for Genesis were as follows:

(\$000s, except for per share items or unless otherwise noted)	Three months ended December 31, ⁽¹⁾		Year ended December 31, ⁽²⁾	
	2021	2020	2021	2020
Key Financial Data				
Total revenues	26,531	19,817	109,761	103,933
Direct cost of sales	(19,594)	(14,306)	(82,186)	(76,581)
Gross margin before reversal of write-down / (write-down) ⁽³⁾	6,937	5,511	27,575	27,352
Gross margin before reversal of write-down / (write-down) (%) ⁽³⁾	26.1%	27.8%	25.1%	26.3%
Reversal of write-down / (write-down) of real estate held for development and sale	3,265	(822)	4,268	(11,637)
Gross margin	10,202	4,689	31,843	15,715
Net earnings attributable to equity shareholders	4,252	125	10,877	199
Net earnings per share - basic and diluted	0.09	0.00	0.24	0.00
Cash flows (used in) from operating activities	(6,326)	22,858	2,388	47,983
Cash flows (used in) from operating activities per share - basic and diluted	(0.15)	0.52	0.05	1.08
Key Operating Data				
Land Development				
Total residential lots sold (units)	49	30	247	225
Residential lot revenues	8,423	4,772	41,095	39,189
Gross margin on residential lots sold	3,540	2,560	14,698	16,336
Gross margin on residential lots sold (%)	42.0%	53.6%	35.8%	41.7%
Average revenue per lot sold	172	159	166	174
Development land revenues	-	7,146	5,870	16,628
Home Building				
Homes sold (units)	51	28	191	163
Revenues ⁽⁴⁾	26,024	12,198	92,416	75,025
Gross margin before write-down ⁽³⁾	3,397	1,620	12,226	9,485
Gross margin before write-down (%) ⁽³⁾	13.1%	13.3%	13.2%	12.6%
Gross margin on homes sold	3,397	1,620	12,226	8,670
Average revenue per home sold	510	436	484	459
New home orders (units)	81	54	249	192
Outstanding new home orders at period end (units)			141	83
Key Balance Sheet Data			As at Dec. 31, 2021	As at Dec. 31, 2020 ⁽²⁾
Cash and cash equivalents			63,975	29,743
Total assets			324,929	266,494
Loans and credit facilities			32,668	21,470
Total liabilities			88,991	66,734
Shareholders' equity			228,624	187,676
Total equity			235,938	199,760
Loans and credit facilities to total assets			10%	8%

⁽¹⁾ Three months ended December 31, 2021 and 2020 ("Q4 2021" and "Q4 2020")

⁽²⁾ Year ended December 31, 2021 and 2020 ("YE 2021" and "YE 2020")

⁽³⁾ Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A

⁽⁴⁾ Includes Other revenues and revenues of \$7,916 for 47 lots in Q4 2021 and \$29,620 for 187 lots in YE 2021 purchased by the Home Building division from the Land Development division (\$4,299 and 28 in Q4 2020; \$26,909 and 163 in YE 2020) and sold with the home. These amounts are eliminated on consolidation

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading “*Factors Affecting Results of Operations*” in this MD&A.

Factors Affecting Results of Operations

When reviewing the results, there are a number of factors that have historically affected Genesis’ results of operations, including:

- the volatility of oil and gas prices and changes in the Canadian/US dollar exchange rate, both of which impact the Alberta energy industry, and have significant impact on the CMA real estate market and economy;
- changes to the regulatory environment, both direct and indirect, including for example, the land development approval process, mortgage lending rules, immigration policies and economic restrictions imposed by regulatory authorities;
- changes in interest rates, including residential mortgage rates and the rates of interest charged to Genesis on its various credit facilities;
- costs incurred for the development and servicing of land and the sale of residential lots and other land parcels occurs over a substantial period of time and results in cash flows that vary considerably between periods, creating significant volatility in the revenues, earnings and cash flows from operating activities;
- changes in home construction costs due to the availability and timing of trades, material and overall supply chain issues;
- land, lot and home prices and gross margins vary by community and lot/home type, the nature of the development work required to be undertaken before the land and lots are ready for sale, and the original cost of the land and servicing; and
- seasonality which has historically resulted in higher revenues and higher cash outflows in the summer and fall months when home building sales and land servicing often peak.

Market Overview

The Alberta economy improved substantially in 2021 fueled by accommodative monetary policy, including low interest rates, and improved prices for oil and natural gas. The Royal Bank of Canada has forecast Alberta’s GDP grew by 5.9% in 2021 which compares to a negative 8.2% in 2020. This economic growth combined with lower supply in housing is reflected in CMA housing market momentum in of 2021. According to the Calgary Real Estate Board (“CREB”), 2021 home sales of 27,686 were a record for the CMA, 72% higher than 2020 and 44% higher than the 10-year average. Home supply is very low, down by 51% year over year. As of December 2021, the available months of supply in Calgary was 1.5 months which compares to 3.06 months at December 2020. As of December 2021, there was only 0.71 months of home supply on the Airdrie market a decrease of 71% compared to December 2020. In Calgary, the benchmark price for detached homes increased by 12% to \$547 in December 2021 compared to \$491 in December 2020.

As a result of the strong market, as of December 31, 2021, Genesis had 141 outstanding new home orders, an increase of 70% over the 83 outstanding new home orders at the same point in 2020. New home orders were 249 in YE 2021, up from 192 new home orders in YE 2020. The strong demand has continued in 2022 to date.

Genesis continues to implement its growth strategy acquiring Lewiston (130 acres) in 2019 and contracting Huxley (157 acres) in 2021. These are proceeding through the regulatory process. GBG had housing operations in twelve communities (including five communities being developed by third party developers) at YE 2021, up from nine communities a year earlier (including two communities being developed by third party developers). Land servicing investments during 2021 were \$43,211, including three new subdivision phases, up from \$23,510 in 2020.

Increased housing market activity was not limited to the CMA with most markets in North America seeing similar price increases and market tightness. The increased demand across the continent is putting pressure on stressed supply chains, resulting in cost increases and restricting the availability of some materials such as engineered products and appliances. These challenges are being felt in both the Corporation’s home building and land development groups. Genesis’ team and key contractors, continue to proactively address this issue.

2021 Business Plan

Progress on 2021 Business Plan

The Corporation continues to closely monitor all expenditures for efficiency and effectiveness. During 2021, Genesis continued to execute its business plan. The following discussion highlights progress made on key elements of the plan.

1) *Obtaining Additional Zoning and Servicing Entitlements*

Progress in obtaining additional zoning and servicing entitlements for its land continues, with approval processes becoming subject to greater delay and uncertainty than in past years. As zoning and servicing entitlements are granted by the applicable municipal authorities, there can be no assurance as to if and/or when the following communities will be available for development or sale. The timelines discussed below are management's best estimates at this time.

The following core projects are progressing through approval processes at local municipalities:

- **Logan Landing:** Genesis owns 354 acres of undeveloped land in Calgary's southeast quadrant referred to as "Logan Landing". An Area Structure Plan ("ASP") for a new residential community on these lands was approved by Calgary City Council ("Council") in November 2019. Outline plan and land use applications have been submitted and City of Calgary Planning Commission approval is anticipated in mid-2022. However, a Growth Management Overlay ("GMO") restricting development of these lands remains in place. Council adopts GMOs to control the supply of land available for development at any time. In December 2021, Genesis re-applied for the removal of the GMO on Logan Landing. City of Calgary administration is reviewing the GMO removal application and will provide a recommendation to City Council for consideration in December 2022.
- **Lewiston:** Genesis acquired 130 acres of residential development land in north Calgary in 2019. Outline plan and land use applications were submitted and approved by the City of Calgary Planning Commission on July 22, 2021. As there is a GMO restricting development of these lands, in December 2021 Genesis applied for removal of the GMO on Lewiston. City Administration is reviewing the GMO removal application and will provide a recommendation to Council for consideration in December 2022.
- **Huxley (Belvedere):** Genesis has prepared and submitted an outline plan and land use plans for the 157 acres it recently contracted in the Belvedere ASP. These lands are not subject to a GMO and Genesis is working to have approval to proceed with servicing the first phase in Spring 2023.
- **OMNI ASP (in North Conrich):** Genesis controls 610 acres of undeveloped land in Rocky View County ("County") bordering the northeast quadrant of the City of Calgary. Genesis has received ASP approval on a 185-acre commercial and retail project on a portion of these lands. Progress continues with the County on the development of a conceptual scheme for this project, with first reading received in September 2021. Second and third reading are anticipated in third quarter ("Q3") 2022. The remaining 425 acres are included in a special study area, with a concept plan and ASP amendment receiving first reading from the County in September 2021.

2) *Development and Sale of Land Parcels*

Genesis continues to develop and implement detailed plans for each of its core land holdings, with the objective of maximizing the risk adjusted net present value of the land and to sell or develop the land at the most opportune time. Please see information provided under the heading "*Real Estate Held for Development and Sale*" in this MD&A.

Genesis periodically sells land parcels, generally for multifamily or commercial use, that have been developed within its communities. In Q3 2021 and year-to-date ("YTD") 2021, Genesis closed sales of three development land parcels in the City of Calgary; the first being a 4.27-acre parcel for cash consideration of \$2,550; the second being a 1.12-acre parcel for cash consideration of \$1,445; the third being a 1.12-acre parcel for cash consideration of \$950. Non-core land positions are also sold to third parties from time to time in the ordinary course of Genesis' business. In first quarter ("Q1") 2021 and YTD 2021, a 463.2-acre parcel of land in British Columbia, held by a controlled limited partnership, was sold for \$925.

3) **Servicing Additional Phases**

Genesis commenced servicing of three new phases in 2021:

- **Byside:** Servicing of Bayside phase 12 in Airdrie, will add 84 single family lots. These lots are expected to be available in 2022. Construction of a vehicle bridge to increase the connectivity of the community commenced in 2021. GBG and a third party builder will be the home builders in this phase;
- **Bayview:** Servicing of Bayview phase 2 in Airdrie, will add 118 single family lots, a 3.6-acre multi-family site and a 9.0-acre school site. The single family lots are expected to be available in 2022. GBG and a third party builder will be the home builders in this phase; and
- **Sage Hill:** This well-located northwest Calgary community is considered an “infill development”. Servicing of the first phase of 20 acres in this 51-acre development commenced in 2020. The first phase was completed during Q3 2021 providing 99 single family lots, a 3.2-acre multi-family parcel and a 4.1-acre commercial parcel. The second phase of development of 22 acres commenced in Q3 2021 and will provide 93 lots and 3 multi-family parcels totaling 8.5-acres that are expected to be available in 2022.

4) **Investing in Additional Lands**

During Q1 2021, Genesis entered into a binding agreement to acquire approximately 157 acres of future residential development land (Huxley) in the Belvedere Area Structure Plan on the east side of the City of Calgary. A non-refundable deposit of \$2,186 was paid, with the balance of \$26,964 to be paid on closing, currently scheduled for April 2022. The land is not subject to a GMO and Genesis has initiated the process for obtaining final land use and outline plan approvals from the City of Calgary. In addition, Genesis entered into a binding agreement to acquire approximately 3.56 acres of land adjacent to this land for \$663. Genesis paid a deposit of \$132, with the balance of \$531 to be paid on closing, currently scheduled for July 2022.

In 2020, GBG contracted to acquire 70 lots from a third party developer in the first phase of Homestead and opened show homes in April 2021. GBG also contracted to acquire 33 lots from a third party land developer in Alpine Park and opened show homes in November 2021. In second quarter (“Q2”) 2021, GBG contracted to acquire 105 lots in three new phases of the following Calgary communities, Homestead, Alpine Park and Silverton, from third party land developers. In Q3 2021, GBG contracted to acquire 35 lots in two additional communities, Fireside in Cochrane and Vermilion Hill in Calgary from third party land developers. In Q4 2021, GBG contracted to acquire an additional 22 lots in Fireside and Homestead from third party land developers. Building and selling homes in communities developed by other parties is one of the strategies being implemented to drive growth in Genesis’ home building division.

5) **Adding Select Third Party Builders in Genesis Communities**

To diversify offerings and increase velocity of sales within its residential communities, Genesis holds regular discussions with reputable third party builders interested in acquiring lots in future phases in Genesis’ communities. Genesis currently has three third party builders building in its communities.

6) **Increasing the Velocity of Homes Sold by Genesis Builders Group**

In YE 2021, GBG entered into 249 new home sales contracts, an increase of 30% from 192 new home sales contracts in YE 2020. During Q4 2021, GBG entered into 81 new home sales contracts, an increase of 50% from 54 new home sales contracts in Q4 2020. As of December 31, 2021, Genesis had 141 outstanding new home orders, an increase of 70% compared to 83 as at December 31, 2020. To increase the velocity and to adapt to the current market conditions, Genesis has:

- increased pricing on select models and completed spec homes;
- managed the timing of construction for any new spec homes with the amount of spec home work-in-progress declining to \$2,602 at December 31, 2021, from \$5,553 at December 31, 2020;
- acquired lots in several communities from third party developers;
- pursued construction cost efficiencies and actively managed supply chain challenges; and
- continued to monitor and control overhead costs.

7) *Liquidity and Return of Capital*

Return of Capital to Shareholders: On December 9, 2020, the Board of Directors declared a cash dividend of \$0.15 per common share for a total of \$6,280 payable to shareholders of record on December 23, 2020, which was paid in January 2021.

Since 2014 when it paid its first dividend, Genesis has returned \$58,138 to shareholders by way of dividends and bought back nearly 3.1 million common shares for \$8,787.

Rights Offering: On December 17, 2021, Genesis closed a rights offering, issuing 15,000,000 common shares of the Corporation at \$2.00 per share for gross proceeds of \$30,000. Genesis intends to use the proceeds, net of offering expenses, to further the development of existing projects, to pursue acquisition opportunities that may arise and to pay amounts due on previously announced acquisitions, minimizing the need for additional debt facilities and maintaining the strong financial position.

Focus on Liquidity: As of December 31, 2021, Genesis had \$63,975 of cash and cash equivalents on hand (YE 2020 - \$29,743), loans and credit facilities of \$32,668 (YE 2020 - \$21,470), real estate assets of \$218,855 (YE 2020 - \$193,309) and total assets of \$324,929 (YE 2020 - \$266,494). The ratio of loans and credit facilities to total assets was 10% at December 31, 2021 compared to 8% at December 31, 2020.

Outlook

Supported by a solid financial position, a strong new-home market and a turnaround in the Alberta economy, Genesis is well-positioned to take advantage of growth opportunities.

The CMA economy was stronger in 2021, driven in part by improved oil and natural gas prices. International immigration to Calgary continued to grow in 2021 with increased federal immigration targets and growing interprovincial migration. The Calgary Real Estate Board forecasts that Calgary is entering 2022 with some of the tightest market conditions seen in over a decade and housing market momentum will continue well into 2022. Despite these positive signs, economic uncertainty and volatility are likely to remain. Increases in interest rates, supply chain issues and inflationary pressures will affect operations and could impact the overall economic recovery. Genesis remains cautious in planning its strategy and operations.

Land Development

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Key Financial Data						
Residential lot revenues ⁽¹⁾	8,423	4,772	76.5%	41,095	39,189	4.9%
Development land revenues	-	7,146	N/R ⁽³⁾	5,870	16,628	(64.7%)
Direct cost of sales	(4,883)	(8,027)	(39.2%)	(31,616)	(37,950)	(16.7%)
Gross margin before reversal of write-down / (write-down) ⁽²⁾	3,540	3,891	(9.0%)	15,349	17,867	(14.1%)
Gross margin before reversal of write-down / (write-down) (%) ⁽²⁾	42.0%	32.6%	28.8%	32.7%	32.0%	2.2%
Reversal of write-down / (write-down) of real estate held for development and sale	3,265	(822)	N/R ⁽³⁾	4,268	(10,822)	N/R ⁽³⁾
Gross margin	6,805	3,069	121.7%	19,617	7,045	N/R ⁽³⁾
Gain in investments in land development entities	562	-	N/R ⁽³⁾	562	-	N/R ⁽³⁾
Other expenses	(2,458)	(2,199)	11.8%	(8,138)	(7,407)	9.9%
Earnings (loss) before taxes	4,909	870	N/R ⁽³⁾	12,041	(362)	N/R ⁽³⁾
Key Operating Data						
Residential lots sold to third parties	2	2	0.0%	60	62	(3.2%)
Residential lots sold through GBG - home building	47	28	67.9%	187	163	14.7%
Total residential lots sold	49	30	63.3%	247	225	9.8%
Average revenue per lot sold	172	159	8.2%	166	174	(4.6%)

⁽¹⁾ Includes residential lot sales to third parties and to GBG

⁽²⁾ Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A

⁽³⁾ Not relevant due to the size of the change

Gross margin by source of revenue

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Residential lots						
Residential lot revenues ⁽¹⁾	8,423	4,772	76.5%	41,095	39,189	4.9%
Direct cost of sales	(4,883)	(2,212)	N/R ⁽²⁾	(26,397)	(22,853)	15.5%
Gross margin	3,540	2,560	38.3%	14,698	16,336	(10.0%)
Gross margin (%)	42.0%	53.6%	(21.6%)	35.8%	41.7%	(14.1%)

⁽¹⁾ Includes residential lot sales to third parties and to GBG

⁽²⁾ Not relevant due to the size of the change

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Development land						
Development land revenues	-	7,146	N/R ⁽²⁾	5,870	16,628	(64.7%)
Direct cost of sales	-	(5,815)	N/R ⁽²⁾	(5,219)	(15,097)	(65.4%)
Gross margin before reversal of write-down / (write-down) ⁽¹⁾	-	1,331	N/R ⁽²⁾	651	1,531	(57.5%)
Gross margin before reversal of write-down / (write-down) (%) ⁽¹⁾	-	18.6%	N/R ⁽²⁾	11.1%	9.2%	20.7%
Reversal of write-down / (write-down) of real estate held for development and sale	3,265	(822)	N/R ⁽²⁾	4,268	(10,822)	N/R ⁽²⁾
Gross margin	3,265	509	N/R ⁽²⁾	4,919	(9,291)	N/R ⁽²⁾

⁽¹⁾ Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A

⁽²⁾ Not relevant due to the size of the change

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "Factors Affecting Results of Operations" in this MD&A.

Revenues and unit volumes

Total residential lot sales revenues in YE 2021 were \$41,095 (247 lots) up from \$39,189 (225 lots) in YE 2020. In YE 2021, 60 lots were sold to third party builders compared to 62 lots sold to third party builders in YE 2020. In YE 2021, GBG also sold 187 homes on Genesis lots, up 15% from 163 homes sold on Genesis lots in YE 2020. Residential lot sales to third party builders occur periodically, depending on the timing of contractual arrangements with these builders.

Two lots were sold to third party builders in both Q4 2021 and Q4 2020. In Q4 2021, GBG sold 47 homes on Genesis lots, up 68% from 28 homes it sold on Genesis lots in Q4 2020. Total residential lot sales revenues in Q4 2021 were \$8,423 (49 lots) compared to \$4,772 (30 lots) in Q4 2020.

In YE 2021, four development land parcels were sold for \$5,870 (including one owned by a limited partnership for \$925) while five parcels of development land (including one owned by a limited partnership for \$320) were sold for total proceeds of \$16,628 in YE 2020. There was no development land sold in Q4 2021 while two parcels of development land were sold in Q4 2020 for \$7,146. Development land sales occur periodically and comprise sales of commercial, multi-family and other lands that Genesis does not intend to build on through GBG.

Gross margin

Residential lots had a gross margin of 36% in YE 2021 compared to 42% in YE 2020. Residential lots had a gross margin of 42% in Q4 2021 compared to 54% in Q4 2020. Gross margins were lower in both Q4 and YE 2021, compared to the same periods in 2020, as the sales in 2021 included 35 lots in Sage Hill which had no margin due to write-downs previously taken. Residential lot and development land margins can vary significantly as described in the "Factors Affecting Results of Operations" in this MD&A.

Reversal of write-down / (write-down) of real estate held for development and sale

During 2021, Genesis recorded reversals of write-downs of \$4,268 (Sage Hill Crest) previously taken on real estate held for development and sale. During Q4 2021, the Corporation recorded a reversal of a write-down of \$3,265 (Sage Hill Crest) previously taken on real estate held for development and sale. The reversals were based on estimated returns realizable on completion of development and sale of these lands.

During Q4 2020, the Corporation recorded a net write-down of \$822. During 2020, the Corporation recorded total write-downs of \$10,822 on parcels of land held for development and sale, including \$5,653 relating to Sage Hill Crest.

Gain in investments in land development entities

The fair value of investments in land development entities are based on the market value approach method which were obtained from external third-party appraisals. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets. The Corporation recorded \$562 as a gain in investment in land development entities during 2021 (2020 - \$Nil).

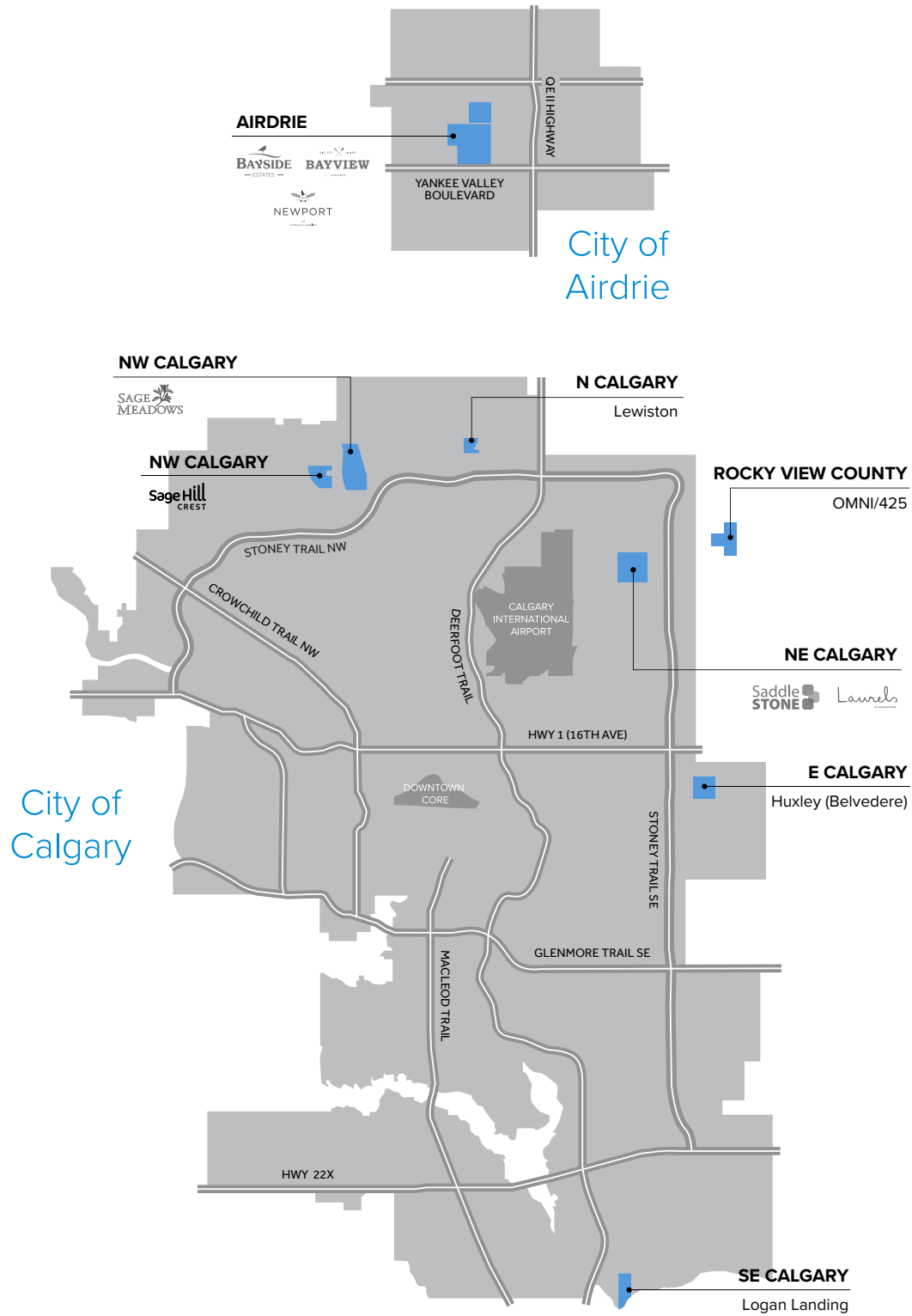
Other expenses

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Other expenses						
General and administrative expense	(1,754)	(1,531)	14.6%	(5,541)	(4,796)	15.5%
Selling and marketing expense	(496)	(461)	7.6%	(1,753)	(1,740)	0.7%
Finance income	81	296	(72.6%)	266	1,479	(82.0%)
Finance expense	(289)	(503)	(42.5%)	(1,110)	(2,350)	(52.8%)
Total	(2,458)	(2,199)	11.8%	(8,138)	(7,407)	9.9%

The components of other expenses and the change are shown in the table above.

In YE 2021, other expenses totaled \$8,138, 10% higher than \$7,407 incurred in YE 2020. In Q4 2021, other expenses totaled \$2,458 or 12% higher than \$2,199 incurred in Q4 2020. Other expenses were higher in both Q4 2021 and YTD 2021 due to higher professional and legal fees (primarily related to the legal settlement with LPLP 2007 and its affiliated limited partnerships).

LOCATION OF GENESIS' LAND DEVELOPMENT PROJECTS



Home Building – Genesis Builders Group Inc. (GBG)

The home building business of Genesis is operated through its wholly-owned subsidiary, GBG.

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Key Financial Data						
Revenues ⁽¹⁾	26,024	12,198	113.3%	92,416	75,025	23.2%
Direct cost of sales	(22,627)	(10,578)	113.9%	(80,190)	(65,540)	22.4%
Gross margin before write-down ⁽²⁾	3,397	1,620	109.7%	12,226	9,485	28.9%
Gross margin before write-down (%) ⁽²⁾	13.1%	13.3%	(1.5%)	13.2%	12.6%	4.8%
Write-down relating to a townhouse project	-	-	-	-	(815)	N/R ⁽³⁾
Gross margin	3,397	1,620	109.7%	12,226	8,670	41.0%
Other expenses	(2,769)	(2,120)	30.6%	(9,912)	(8,560)	15.8%
Earnings (loss) before taxes	628	(500)	N/R ⁽³⁾	2,314	110	N/R ⁽³⁾
Key Operating Data						
Homes sold (units)	51	28	82.1%	191	163	17.2%
Average revenue per home sold	510	436	17.0%	484	459	5.4%
New home orders (units)	81	54	50.0%	249	192	29.7%
Outstanding new home orders at period end (units)				141	83	69.9%

⁽¹⁾ Revenues include residential home sales and other revenue

⁽²⁾ Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A

⁽³⁾ Not relevant due to size of the change

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "Factors Affecting Results of Operations" in this MD&A.

Revenues and unit volumes

Revenues for single-family homes and townhouses were \$92,416 (191 units) in YE 2021, 23% higher than YE 2020 revenues of \$75,025 (163 units). In addition, 249 homes were contracted for sale in YE 2021, an increase of 30%, as compared to 192 in YE 2020, resulting in 141 outstanding new home orders at the end of 2021 as compared to 83 outstanding new home orders at the end of 2020.

Revenues for single-family homes and townhouses were \$26,024 (51 units) in Q4 2021, 113% higher than Q4 2020 revenues of \$12,198 (28 units). In addition, 81 homes were contracted for sale in Q4 2021, an increase of 50%, as compared to 54 in Q4 2020.

Homes sold in YE 2021 had an average price of \$484 per home compared to \$459 in YE 2020. Homes sold in Q4 2021 had an average price of \$510 per home compared to \$436 in Q4 2020. Fluctuations in the average revenue per home sold are due to differences in product mix and community sales. During 2021 and 2020, GBG's single-family homes product ranged in price from \$292-\$899 depending on the location and the model being offered. Similarly, GBG's townhouse product ranged in price from \$155-\$310 depending on the location and the model being offered. In Q4 2021, 42 single-family homes and 9 townhouses were sold compared to 23 single-family homes and 5 townhouses in Q4 2020. In YE 2021, 150 single-family homes and 41 townhouses were sold compared to 138 single-family homes and 25 townhouses in YE 2020.

187 of the 191 homes sold in YE 2021 were built on residential lots or parcels supplied by Genesis, with lot revenues of \$29,620. All 163 homes sold in YE 2020 were built on residential lots or parcels supplied by Genesis, with lot revenues of \$26,909.

47 of the 51 homes sold in Q4 2021 were built on residential lots supplied by Genesis, with lot revenues of \$7,916 while all 28 homes sold in Q4 2020 were built on residential lots or parcels supplied by Genesis, with lot revenues of \$4,299.

Genesis has invested in land development entities (a limited partnership and a joint venture) that provide the right to purchase a number of lots in the new communities of Homestead and Vermilion Hill. Genesis views this as one of its strategies to drive growth in GBG. In Q2 2021, GBG contracted to acquire 105 lots in three new phases in the communities of Homestead, Alpine Park and Silverton, from third party land developers. In addition, during Q3 2021, GBG contracted to acquire 35 lots in two new communities, Fireside in Cochrane and Vermilion Hill in Calgary from third party land developers. In Q4 2021, GBG contracted to acquire 22 lots in the communities of Fireside and Homestead from third party land developers.

GBG builds single-family homes either after receiving a firm sale contract (a “pre-construction home”) or on a quick possession (“spec”) basis and builds townhouses generally on a quick possession basis. Historically, the delivery time of a pre-construction home was determined at the time of sale and typically ranged between 6 to 10 months; in 2021 supply chain issues became a significant concern, with the supply of some materials and products being unpredictable, and delivery time lines have increased to 10 to 12 months. Construction of quick possession homes is started before GBG receives a firm sale contract to ensure there is sufficient inventory for buyers seeking possession within a short period of time (often 30-90 days). Townhouses are multi-unit complexes for which GBG commences construction prior to selling all the units in any individual building. This provides construction efficiencies and requires GBG to build some townhouses on a spec basis and to hold them in inventory until sold. The timing of the sale of spec homes is unpredictable, with spec home buyers usually being time sensitive, wanting to take possession in a short time frame. Genesis closely monitors its home building work-in-progress to anticipate and react to market conditions in a timely manner. As at YE 2021, GBG had \$28,870 of work in progress, of which approximately \$2,602 was related to spec homes (YE 2020 - \$16,190 and \$5,553, respectively).

The following table shows the split between quick possession sales (spec homes that are contracted and delivered within 90 days) and pre-construction homes (homes built after receiving a firm sale contract). The timeline for pre-construction homes ranges from around 8 to 10 months and can exceed this depending on the desired possession date.

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Quick possession sales (units)	7	19	(63.2%)	66	86	(23.3%)
Pre-construction home sales (units)	44	9	N/R ⁽¹⁾	125	77	62.3%
Total home sales (units)	51	28	82.1%	191	163	17.2%

⁽¹⁾ Not relevant due to size of the change

Gross margin

Gross margin before write-down on home sales was 13.2% in YE 2021 compared to 12.6% in YE 2020. Genesis realized gross margin before write-down on home sales of 13.1% in Q4 2021 as compared to 13.3% in Q4 2020. Fluctuations in gross margin before write-down are due to differences in product, community mix and market conditions and may drive price adjustments. In YE 2021, 150 single-family homes and 41 townhouses were sold compared to 138 single-family homes and 25 townhouses in YE 2020. In Q4 2021, 42 single-family homes and 9 townhouses were sold compared to 23 single-family homes and 5 townhouses in Q4 2020.

Write-down on townhouse project

No write-down was required in YE 2021 (2020 - \$815).

Other expenses

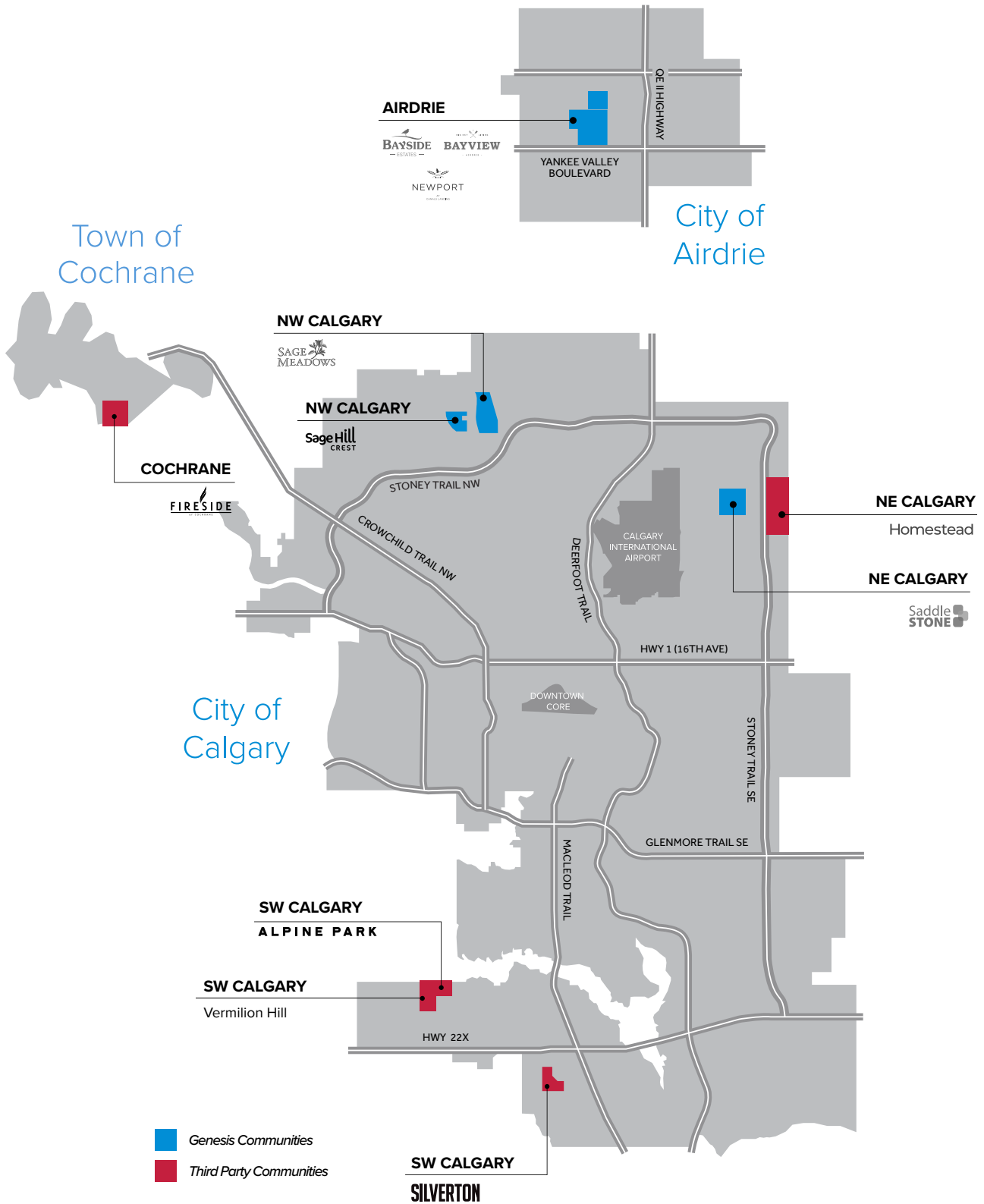
	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Other expenses						
General and administrative expense	(1,867)	(1,472)	26.8%	(6,484)	(5,613)	15.5%
Selling and marketing expense	(885)	(620)	42.7%	(3,390)	(2,722)	24.5%
Finance income	16	3	N/R ⁽¹⁾	72	18	N/R ⁽¹⁾
Finance expense	(33)	(31)	6.5%	(110)	(243)	(54.7%)
Total	(2,769)	(2,120)	30.6%	(9,912)	(8,560)	15.8%

⁽¹⁾ Not relevant due to size of the change

The components of other expenses and the change are shown in the table above.

In YE 2021, other expenses were \$9,912, 16% higher compared to \$8,560 incurred in YE 2020. In Q4 2021, other expenses totaled \$2,769, 31% higher than \$2,120 incurred in Q4 2020. Other expenses were higher in both Q4 and YTD 2021 due to higher professional services, compensation expenses and sales and marketing expenses (including sales commissions). These increases were due in part to higher levels of activity in the home building business.

LOCATION OF GBG BUILDING COMMUNITIES



Real Estate Held for Development and Sale

	December 31,		
	2021	2020	% change
Real estate held for development and sale	227,984	215,050	6.0%
Accumulated provision for write-downs	(9,129)	(21,741)	(58.0%)
	218,855	193,309	13.2%

Refer to note 5 in the consolidated financial statements for the years ended December 31, 2021 and 2020 which details the components of the changes in the gross book value and net book value of real estate held for development and sale.

Real estate held for development and sale is affected by the sale of residential lots, homes, development land parcels, acquisitions and development and construction activities. Real estate held for development and sale increased by \$25,546 as at YE 2021 compared to YE 2020 mainly due to: (i) the acquisitions of 98 CMA residential lots from third party developers for \$12,804; (ii) active development and construction activities; and (iii) the reversals of \$4,268 of write-downs previously taken on real estate held for development and sale.

The following table presents Genesis' real estate held for development and sale at net book value (that is net of provisions for write-downs) as at December 31, 2021:

Real Estate Held for Development and Sale	Net Book Value		
	Lots, multi-family & commercial parcels	Land held for development ⁽¹⁾	Total
Community			
Airdrie - Bayside, Bayview, Canals	8,966	34,642	43,608
Calgary NW - Sage Meadows	6,899	-	6,899
Calgary NW - Sage Hill	18,616	22,176	40,792
Calgary NE - Saddlestone	2,980	-	2,980
Calgary N - Lewiston	-	36,483	36,483
Calgary SE - Logan Landing	-	45,940	45,940
Rocky View County - North Conrich ⁽²⁾	-	5,689	5,689
Sub-total	37,461	144,930	182,391
Other lands ⁽³⁾ - non-core	29	2,195	2,224
Total land development	37,490	147,125	184,615
Home building construction work-in-progress			16,047
Third-party lots			12,823
Total home building work-in-progress			28,870
Total land development and home building			213,485
Limited Partnerships ^{(2), (4)}			5,370
Total real estate held for development and sale			218,855

⁽¹⁾ Land held for development comprises lands not yet subdivided into single-family lots or parcels

⁽²⁾ Includes the undivided interest of Genesis and two limited partnerships in North Conrich including the "Omni" project

⁽³⁾ Other lands are non-core and available for sale

⁽⁴⁾ Net of intra-segment eliminations of \$4,194

The following table presents the breakdown of Genesis' serviced single-family lots, multi-family and commercial parcels shown above, by community as at December 31, 2021:

Serviced Lots, Multi-family and Commercial Parcels, by Community	Net Book Value	Single-family lots	Townhouse units	Townhouse/multi-family parcels	Commercial parcels
Airdrie - Bayside, Bayview, Canals	8,966	48	41	1	-
Calgary NW - Sage Meadows	6,899	3	-	1	-
Calgary NW - Sage Hill	18,616	64	-	1	2
Calgary NE - Saddlestone	2,980	27	-	-	-
	37,461	142	41	3	2
Other lots - non-core	29	13	-	-	-
Total	37,490	155	41	3	2

The following table presents the estimated equivalent, if and when developed, by community of single-family lots and multi-family and commercial acres of Genesis' land held for development (shown previously) as at December 31, 2021 based on the Corporation's detailed plans for the development of its lands. Refer to the section in this MD&A entitled "Obtaining Additional Zoning and Servicing Entitlements" for the status of Logan Landing, Lewiston and North Conrich. Given the uncertainties related to the regulatory approval process and market conditions, there can be no assurance as to when or if any or all of these lands can or will be fully developed.

Land Held for Development, by Community	Net Book Value	Land (acres) ⁽¹⁾	Estimated Equivalent if/when Developed		
			Single-family (lots)	Multi-family (acres)	Commercial (acres)
Airdrie - Bayside, Bayview	34,642	186	1,112	9	2
Calgary NW - Sage Hill	22,176	31	183	11	-
Calgary N - Lewiston	36,483	134	892	3	4
Calgary SE - Logan Landing	45,940	354	1,190	16	-
Rocky View County - North Conrich ⁽²⁾	5,689	312	-	-	-
	144,930	1,017	3,377	39	6
Other lands - non-core	2,195	300	-	-	-
Total	147,125	1,317	3,377	39	6

⁽¹⁾ Land not yet subdivided into single-family and other lots or parcels

⁽²⁾ Includes the undivided interest of Genesis in North Conrich including the "Omni" project

Amounts Receivable

	December 31,		
	2021	2020	% change
Amounts receivable	13,632	11,006	23.9%

Genesis generally receives a minimum 15% non-refundable deposit at the time of entering into a sale agreement for residential lots with a third party builder. Title to a lot or home that is contracted for sale is not transferred by Genesis to the builder or purchaser until full payment is received, thus mitigating credit risk.

The increase of \$2,626 in amounts receivable was due to higher lot sales. As at YE 2021, Genesis had \$12,135 in amounts receivable related to the sale of 77 lots to third party builders compared to \$10,466 (related to 63 lots) in amounts receivable as at YE 2020.

Individual balances due from third party builders at YE 2021 that were 10% or more of total amounts receivable were \$12,135 from three third party builders (YE 2020 - \$10,235 from two third party builders).

Vendor-take-back Mortgage Receivable

	December 31,		
	2021	2020	% change
Vendor-take-back mortgage receivable	-	2,719	N/R ⁽¹⁾

⁽¹⁾ Not relevant due to size of the change

During Q1 2020, the Corporation closed the sale of an 8.17-acre parcel of development land in northwest Calgary for \$8,987 in consideration for a cash payment of \$3,768 and a \$5,219 vendor-take-back mortgage with an interest rate of 5% per annum. The vendor-take-back mortgage receivable is to be repaid in three installments of which two installments of \$1,250 each were paid on March 31, 2020 and June 30, 2020. The last installment of \$2,719 was paid on December 15, 2021. Interest totaling \$132 was received during 2021 (2020 - \$127).

Cash Flows from Operating Activities

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading “*Factors Affecting Results of Operations*” in this MD&A.

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Cash flows (used in) from operating activities	(6,326)	22,858	2,388	47,983
Cash flows (used in) from operating activities per share - basic and diluted	(0.15)	0.52	0.05	1.08

The changes in cash flows from operating activities between Q4 2021 and Q4 2020 consist of the following:

	Three months ended December 31,		
	2021	2020	\$ change
Cash inflows from sale of residential homes by GBG	26,776	13,488	13,288
Cash inflows from sale of residential lots	3,220	2,488	732
Cash inflows from sale of development land	2,719	26,646	(23,927)
Cash outflows for home building activity	(16,675)	(9,596)	(7,079)
Cash outflows for land servicing	(17,277)	(5,411)	(11,866)
Cash outflows for lots / land acquisitions	(1,165)	(1,068)	(97)
Cash outflows paid to suppliers and employees	(4,434)	(4,500)	66
Other cash inflows	510	811	(301)
Total	(6,326)	22,858	(29,184)

The changes in cash flows from operating activities between YE 2021 and YE 2020 consist of the following:

	Year ended December 31,		
	2021	2020	\$ change
Cash inflows from sale of residential homes by GBG	95,480	75,255	20,225
Cash inflows from sale of residential lots	13,981	7,272	6,709
Cash inflows from sale of development land	8,589	33,409	(24,820)
Cash outflows for home building activity	(57,323)	(34,311)	(23,012)
Cash outflows for land servicing	(39,868)	(17,574)	(22,294)
Cash outflows for lots / land acquisitions	(3,993)	(4,246)	253
Cash outflows paid to suppliers and employees	(16,053)	(14,309)	(1,744)
Other cash inflows	1,115	1,076	39
Income tax refunds	460	1,411	(951)
Total	2,388	47,983	(45,595)

Cash inflows from the sale of residential homes by GBG is related to the volume of homes sold. Genesis sells residential lots to third party builders and typically receives 15% of the purchase price as a non-refundable deposit from the builder. On receipt of a minimum 15% non-refundable deposit after agreed to services pertaining to the property have been substantially performed, Genesis recognizes all of the sales revenue. The balance of the purchase price is generally received in cash at the time of closing of the sale by the third party builder to a home buyer, which can be many months later, resulting in a timing difference between sales revenue recognition and the actual receipt of cash.

Higher sales volumes of home and lots drove increased cash inflows and outflows for home building activity and land servicing in order to meet future anticipated demand.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at YE 2021 and YE 2020:

	December 31,		December 31,	
	2021	% of total	2020	% of total
Loans and credit facilities	32,668	10%	21,470	8%
Dividend payable	-	-	6,280	3%
Customer deposits	9,002	3%	3,889	1%
Accounts payable and accrued liabilities	26,408	8%	14,092	5%
Lease liabilities	842	0%	790	0%
Provision for future development costs	17,979	6%	20,213	8%
Income taxes payable	2,092	1%	-	-
Total liabilities	88,991	28%	66,734	25%
Non-controlling interest	7,314	2%	12,084	5%
Shareholders' equity	228,624	70%	187,676	70%
Total liabilities and equity	324,929	100%	266,494	100%

The ratio of total liabilities to equity is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	88,991	66,734
Total equity	235,938	199,760
Total liabilities to equity ⁽¹⁾	38%	33%

⁽¹⁾ Calculated as total liabilities divided by total equity

Loans and Credit Facilities

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Corporate revolving line of credit	16,237	9,537	8,159	2,606	-
Land development servicing loans	5,794	1,311	-	-	-
Demand operating line for single-family homes	1,917	1,831	1,181	1,983	1,662
Project specific townhouse construction loans	-	-	-	1,333	1,185
Vendor-take-back mortgage payable – Lewiston ⁽¹⁾	9,312	9,312	9,312	18,624	18,624
	33,260	21,991	18,652	24,546	21,471
Unamortized deferred fees on loans and credit facilities	(592)	(641)	(638)	(700)	(1)
Balance, end of period	32,668	21,350	18,014	23,846	21,470

⁽¹⁾ Repaid in January 2022

The continuity of Genesis' corporate revolving line of credit, land development servicing loans and VTB mortgage payable, excluding deferred fees on loans and credit facilities, is as follows:

	Year ended December 31, 2021				Year ended December 31, 2020
	Corporate revolving line of credit	Land development servicing	VTB payable - Lewiston	Total	Total
Balance, beginning of period	-	-	18,624	18,624	30,779
Advances	41,240	7,759	-	48,999	3,116
Repayments	(25,003)	(1,965)	(9,312)	(36,280)	(15,271)
Balance, end of period	16,237	5,794	9,312	31,343	18,624

Loans and credit facilities are used primarily to finance the costs of developing land, building homes and for land purchases. Genesis accesses these facilities, cash from operations and cash on hand in a balanced manner to finance its operations.

Genesis has various covenants in place with its lenders with respect to its loan and credit facilities. Such covenants include credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other terms such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure.

Genesis and its consolidated entities were in compliance with all lender covenants for all periods in this MD&A.

Corporate revolving line of credit

During Q1 2021, the Corporation put in place a \$50,000 three-year fixed term secured corporate revolving line of credit with a major Canadian financial institution at an interest rate per annum equal to the higher of prime +1.90% or 4.35%. This is secured by specific dedicated lands and a general corporate charge on all assets of the Corporation. As at December 31, 2021, the amount drawn on this facility was \$16,237. Subsequent to December 31, 2021, in February 2022, the loan was renewed and matures on February 1, 2025.

Land development servicing loan

As at December 31, 2021, Genesis has a land project loan facility with \$5,794 drawn (YE 2020 - \$Nil). Up to \$13,652 is available to finance future development and servicing costs from this facility as land development activities progress. This facility bears interest at prime +0.50% per annum and matures on May 12, 2024. The Corporation renewed and amended this credit facility in Q3 2021.

Demand operating line for single-family homes

GBG has a demand operating line of \$6,500 bearing interest at prime +0.75% per annum. As at December 31, 2021, the amount drawn on this facility was \$1,917 (YE 2020 - \$1,662). Subsequent to December 31, 2021, in January 2022, the loan was amended to increase the operating line of credit facility from \$6,500 to \$10,000.

Project specific townhouse construction loans

As at December 31, 2021, GBG has a townhouse project loan facility with \$Nil drawn (YE 2020 - \$614). Up to \$2,500 is available from this facility to finance future construction costs on this townhouse project. This facility bears interest at prime +0.90% per annum and matures on August 28, 2022. The Corporation renewed this credit facility in Q4 2021.

During Q2 2021, the Corporation closed a townhouse project loan facility with \$Nil drawn at the time it was closed. As at YE 2020, the amount drawn on this facility was \$571.

Vendor-take-back mortgage payable

Genesis entered into an \$18,624 vendor-take-back mortgage on the purchase of its north Calgary lands (Lewiston) in September 2019. The vendor-take-back mortgage is secured by the land, has an interest rate of 5% per annum and is repayable in two equal installments of \$9,312 in May 2021 and 2022. The first installment of \$9,312 was paid in May 2021. Subsequent to December 31, 2021, in January 2022, the final installment of \$9,312 was paid.

Provision for Future Development Costs

When Genesis sells lots, land parcels and homes, it remains responsible for the payment of certain future development costs known as provision for future development costs ("FDC").

In Genesis' land development business, FDC represents the estimated remaining construction and other development costs related to each lot or parcel that has previously been sold by Genesis, if any. These estimated costs include the direct and indirect construction and other development costs, including municipal levies, expected to be incurred by Genesis during the remainder of the development process, net of expected future recoveries from third parties that are allocable to the relevant lot or parcel. FDC is reviewed periodically and, when a prior estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to FDC and a corresponding adjustment is made to cost of sales and in some cases, to real estate held for development and sale.

FDC for GBG are additional future costs relating to previously sold homes estimated to be incurred, which are primarily for seasonal and other work (such as paving and landscaping) and estimated warranty expenses over the one-year warranty period.

FDC as at YE 2021 was \$15,096 for the land division (YE 2020 - \$18,737) and \$2,883 for GBG (YE 2020 - \$1,476). For additional details, please see information provided under the heading "*Critical Accounting Estimates*" in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Genesis had cash and cash equivalents of \$63,975 and loans and credit facilities of \$32,668 at YE 2021 compared to \$29,743 and \$21,470 respectively, at YE 2020 resulting in net cash (refer to heading “Non-GAAP Measures” in this MD&A) of \$31,307 at YE 2021 compared to net cash (refer to heading “Non-GAAP Measures” in this MD&A) of \$8,273 at YE 2020. The YE 2021 cash and cash equivalents balance includes the \$29,894 net proceeds from the December 2021 equity issue as a result of the successful rights offering which was 100% subscribed. The components of loans and credit facilities are detailed below. For additional details, please see information provided under the heading “Loans and Credit Facilities” in this MD&A.

	December 31,		
	2021	2020	% change
Cash and cash equivalents	63,975	29,743	N/R ⁽³⁾
Corporate revolving line of credit	15,723	-	N/R ⁽³⁾
Land development servicing and home building loans	7,633	2,846	N/R ⁽³⁾
VTB payable	9,312	18,624	(50.0%)
Total loans and credit facilities	32,668	21,470	52.2%
Net cash ^{(1) (2)}	31,307	8,273	N/R ⁽³⁾

⁽¹⁾ Calculated as the difference between cash and cash equivalents and total loans and credit facilities

⁽²⁾ Non-GAAP financial measure. Refer to heading “Non-GAAP Measures” in this MD&A

⁽³⁾ Not relevant due to size of the change

	December 31,		
	2021	2020	% change
Loans and credit facilities as a percentage of total assets ⁽¹⁾			
Corporate revolving line of credit	4.8%	-	N/R ⁽³⁾
Land development servicing and home building loans	2.3%	1.1%	N/R ⁽³⁾
VTB payable	2.9%	7.0%	(58.6%)
Loans and credit facilities to total assets	10.0%	8.1%	23.5%
Total liabilities to equity ⁽²⁾	37.7%	33.4%	12.9%

⁽¹⁾ Calculated as each component of loans and credit facilities divided by total assets

⁽²⁾ Calculated as total liabilities divided by total equity

⁽³⁾ Not relevant due to size of the change

	December 31,		
	2021	2020	% change
Net cash ⁽¹⁾ as a percentage of total assets			
Cash and cash equivalents	63,975	29,743	N/R ⁽⁴⁾
Loans and credit facilities	32,668	21,470	52.2%
Net cash ^{(1) (2)}	31,307	8,273	N/R ⁽⁴⁾
Net cash to total assets ⁽³⁾	9.6%	3.1%	N/R ⁽⁴⁾

⁽¹⁾ Non-GAAP financial measure. Refer to heading “Non-GAAP Measures” in this MD&A

⁽²⁾ Calculated as the difference between cash and cash equivalents and total loans and credit facilities

⁽³⁾ Calculated as net cash divided by total assets

⁽⁴⁾ Not relevant due to size of the change

Based on the Corporation’s operating history, relationships with lenders and committed sales contracts, management believes that Genesis has the ability to continue to renew or repay its financial obligations as they become due. The Corporation expects to generate sufficient liquidity from its cash flows from operating activities, undrawn credit facilities and cash on hand to meet its financial obligations (including the above liabilities) and commitments as they become due.

Finance Expense

	Three months ended December 31,			Year ended December 31,		
	2021	2020	% change	2021	2020	% change
Interest incurred	200	226	(11.5%)	479	1,329	(64.0%)
Interest relating to VTB ⁽¹⁾	117	234	(50.0%)	658	931	(29.3%)
Financing fees amortized	74	75	(1.3%)	249	333	(25.2%)
Interest and financing fees capitalized	(69)	-	N/R ⁽²⁾	(166)	-	N/R ⁽²⁾
	322	535	(39.8%)	1,220	2,593	(53.0%)

⁽¹⁾ VTB related to Lewiston lands

⁽²⁾ Not relevant due to size of the change

Finance expense was lower in Q4 2021 compared to Q4 2020 mainly due to (i) lower VTB balance of \$9,312 in Q4 2021 compared to \$18,624 in Q4 2020; and (ii) interest and financing fees capitalized as a component of development activities.

Finance expense was lower in YE 2021 compared to YE 2020 due to (i) an installment of \$9,312 made towards the balance in May 2021, reducing the VTB payable balance and its corresponding interest expense incurred compared to an \$18,624 VTB payable for a full year in 2020; (ii) significantly lower average loan balances throughout 2021 excluding the VTB balance; and (iii) \$166 of interest and financing fees capitalized as a component of development activities in 2021 (2020 - \$nil).

The weighted average interest rate of loan agreements with various financial institutions was 3.92% (YE 2020 - 3.26%) based on December 31, 2021 balances.

Income Taxes Payable (Recoverable)

The continuity in income taxes payable (recoverable) is follows:

	December 31, 2021	December 31, 2020
Balance, beginning of period	(559)	(1,144)
Provision for current income tax	2,191	(826)
Income tax refunds net of payments	460	1,411
Balance, end of period	2,092	(559)

As at December 31, 2021, income taxes payable of \$2,092 is a result of tax on the current year's income, partially offset by installment payments made during the year. All refunds relating to the prior year have been received and are included in net receipts.

Shareholders' Equity

As at March 2, 2022, the Corporation had 56,863,335 common shares issued and outstanding. The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

The Corporation's normal course issuer bid ("NCIB") expired on October 12, 2021. The Corporation purchased and cancelled common shares under its NCIBs as follows:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Number of shares purchased and cancelled	-	106,982	-	296,592
Total cost	-	175	-	465
Average price per share purchased	-	1.66	-	1.58
Shares cancelled as a % of common shares outstanding at beginning of period	-	0.25%	-	0.70%

On November 10, 2021, the Corporation announced the offering of rights (the "Rights Offering") to eligible holders of its common shares (the "Common Shares") at the close of business on the record date of November 18, 2021, on the basis of one right (a "Right") for each Common Share held. Each whole Right entitled the holder to subscribe for 0.3583088 of a Common Share upon payment of the subscription price of \$2.00 per Common Share. The Rights Offering closed on December 17, 2021, and all Rights were exercised in exchange for 15,000,000 Common Shares. The Corporation received gross proceeds of \$30,000 and paid issuance costs of \$106. The net proceeds of \$29,894 are shown in the Statements of Changes in Equity.

Contractual Obligations and Debt Repayment

Contractual obligations (excluding accounts payable, accrued liabilities, income taxes payable, customer deposits and provision for future development costs) at YE 2021 were as follows:

	Loans and Credit Facilities ⁽¹⁾	Levies and Municipal Fees	Land and Lot Purchase Contracts	Lease Obligations ⁽²⁾	Total
Current	11,229	4,942	33,563	427	50,161
January 2023 to December 2023	-	5,255	13,651	440	19,346
January 2024 to December 2024	22,031	1,697	2,338	426	26,492
January 2025 and thereafter	-	-	-	909	909
Total	33,260	11,894	49,552	2,202	96,908

⁽¹⁾ Excludes deferred fees on loans and credit facilities

⁽²⁾ Includes variable operating costs

Levies and municipal fees are related to municipal agreements signed by Genesis on commencement of development of certain real estate assets. Non-payment of levies and municipal fees could result in the municipalities drawing upon letters of credit or surety bonds, impact the development of the associated real estate assets and impact Genesis' status as a developer with the municipality. Genesis is current with regard to all levies and fees due to municipal authorities.

Land and lot purchase contracts of \$49,552 relate to the purchase of real estate, including residential lots (\$22,057) and development land (\$27,495), as part of Genesis' operations. These contracts may require payment of an initial deposit with the balance of the contract price being paid at agreed future dates.

Genesis has certain lease agreements that are entered in the normal course of operations. Genesis signed a sublease for a new head office in Calgary in April 2020 and moved in September 2020. The sublease expires in February 2027 and the total payments over the remaining term of the lease for base rent and parking is \$804. In the event the office lease is terminated early, Genesis is liable to pay the landlord for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by the landlord, if any. Genesis also has other minor operating leases.

In 2012, Genesis entered into a memorandum of understanding with the Northeast Community Society to contribute \$5,000 over 10 years for 15-year naming rights to the “Genesis Centre for Community Wellness”, a recreation complex in northeast Calgary (\$500 each year, ending in 2021). All ten installments totaling \$5,000 were paid as at December 31, 2021. Over a period of 10 years, commencing in 2008 and ending in 2017, Genesis contributed \$200 each year for a total of \$2,000 for 40-year naming rights to “Genesis Place”, a recreation complex in the City of Airdrie.

As a normal part of business, Genesis has entered into arrangements and incurred obligations that will impact future operations and liquidity, some of which are reflected as short-term liabilities.

Current Contractual Obligations and Commitments

	December 31, 2021	December 31, 2020
Loans and credit facilities, excluding deferred fees on loans and credit facilities	11,229	12,159
Accounts payable and accrued liabilities	24,597	14,092
Dividend payable	-	6,280
Total short-term liabilities	35,826	32,531
Levies and municipal fees	4,942	6,415
Land and lot purchase contracts	33,563	652
Commitments ^{(1), (2)}	427	831
	74,758	40,429

⁽¹⁾ Commitments at December 31, 2021 comprises lease obligations

⁽²⁾ Commitments at December 31, 2020 comprises naming rights and lease obligations

At YE 2021, Genesis had obligations due within the next 12 months of \$74,758 of which \$11,229 related to loans and credit facilities. Repayment is either linked directly to the collection of lot receivables and sales proceeds or due at maturity. Accounts payable and accrued liabilities includes \$7,789 related to residential lot purchases from third party developers and the balance mainly relates to trades payable. Management expects that Genesis will have sufficient liquidity from its cash flows from operating activities, supplemented by undrawn credit facilities and cash on hand, to meet its financial obligations (including the above liabilities) as they become due. The cash dividend declared on December 9, 2020 in the aggregate amount of \$6,280 was paid in January 2021.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit and Surety Bonds

Genesis has an ongoing requirement to provide irrevocable letters of credit and surety bonds to municipalities as part of the subdivision plan registration process. These letters of credit and surety bonds indemnify the municipalities by enabling them to draw upon them if Genesis does not perform its contractual obligations. At YE 2021, these amounted to approximately \$7,747 (YE 2020 - \$3,666).

Levies and Municipal Fees

For additional details, please see information provided under the heading “Contractual Obligations and Debt Repayment” in this MD&A.

Land and Lot Purchase Contracts

For additional details, please see information provided under the heading “Contractual Obligations and Debt Repayment” in this MD&A.

SELECTED ANNUAL INFORMATION

	2021	2020	2019	2018	2017
Total revenues	109,761	103,933	68,097	81,437	150,933
Gross margin before reversal of write-down / write-down ⁽¹⁾	27,575	27,352	22,220	22,233	54,324
Gross margin	31,843	15,715	21,420	20,413	53,229
Net earnings attributable to equity shareholders	10,877	199	1,701	4,124	16,998
Net earnings per share – basic and diluted	0.24	0.00	0.04	0.09	0.37
Total assets	324,929	266,494	296,268	278,156	301,425
Loans and credit facilities	32,668	21,470	51,546	31,696	30,135
Cash dividends per share, declared	-	0.14 ⁽²⁾	-	0.23	0.43 ⁽³⁾

⁽¹⁾ Non-GAAP financial measure. Refer to heading “Non-GAAP Measures” in this MD&A

⁽²⁾ A cash dividend of \$0.14 per share was declared in December 2020 and was paid in January 2021

⁽³⁾ A cash dividend of \$0.43 per share was declared in December 2017 and was paid in January 2018

	2021	2020	2019	2018	2017
Return on shareholders' equity (“ROE”) ⁽¹⁾	5.2%	0.1%	0.9%	2.1%	8.3%
Average shareholders' equity ⁽²⁾	208,150	190,817	192,964	196,684	203,574

⁽¹⁾ Calculated as Net earnings attributable to equity shareholders divided by average Shareholders' equity

⁽²⁾ Calculated as the sum of Shareholders' equity per the financial statements at the beginning and end of each year divided by two

ROE is calculated as net earnings attributable to equity shareholders divided by average shareholders' equity. The many factors that affect net earnings have been explained throughout this MD&A. In addition, shareholders' equity was affected by dividends and the repurchase and cancellation of shares under Genesis' NCIB. For additional details on dividends and NCIB, please see information provided under the heading *Liquidity and return of capital* in this MD&A.

For additional details, please see information provided under the heading *Factors Affecting Results of Operations* in this MD&A which discusses the factors that affect Genesis' results and seasonality.

Summary analysis for last 3 years

Total revenues consist of residential lot sales, development land sales, residential home sales and other revenues. Residential lot sales volumes were 247, 225 and 161 units in 2021, 2020 and 2019, respectively, reflecting market conditions in each period. In addition, development land sales were \$5,870, \$16,628 and \$550 for 2021, 2020 and 2019 respectively. Development land sales are lumpy in nature and comprise sales of non-core lands, commercial lands and other lands that Genesis does not intend to build on.

Residential homes sold were 191, 163 and 128 in 2021, 2020 and 2019 respectively. Included in this were single-family homes sales of 150, 138 and 111 units in 2021, 2020 and 2019 respectively.

Gross margins in 2021 were higher mainly due higher volumes of residential lots and homes and due to a reversal of write-downs of \$4,268 in YE 2021. Gross margins on development land sales can vary significantly and are also impacted by write-downs or reversal of write-downs on real estate held for development and sale. There was a reversal of write-down \$4,268 in 2021 and write-downs of \$10,822 and \$800 in 2020 and 2019 respectively. Net earnings and net earnings per share - basic and diluted were affected as a result of the above.

Total assets increased by \$58,435 in 2021 compared to 2020. This was mainly due to an increase in real estate held for development and sale by \$25,546 and an increase in cash and cash equivalents of \$34,232 primarily from proceeds of rights offering.

Total assets decreased by \$29,774 in 2020 compared to 2019. This was mainly due to a decrease in real estate held for development and sale by \$28,960 and a reduction of \$17,839 in VTB mortgage receivable, partially offset by an increase in cash and cash equivalents of \$13,495 during the year.

Total assets increased by \$18,112 in 2019 compared to 2018. This was mainly due to the purchase of 130 acres of future residential development land in north Calgary for \$23,725 and investments of \$5,608 in two land development entities in Calgary. This was partially offset by a decrease in accounts receivable of \$8,829 due to the collection of these amounts during the year.

Total loans and credit facilities increased by \$11,198 in 2021 compared to 2020. This was mainly due to higher loan balances for active land development and home building activities. The increase was partially offset by the repayment of the first \$9,312 installment related to the acquisition of a \$18,624 VTB for the purchase of the Calgary north lands.

Total loans and credit facilities decreased by \$30,076 in 2020 compared to 2019. This was mainly due to the final installment of \$8,000 paid in January 2020 on the VTB related to Genesis' southeast Calgary lands and the repayment of a \$14,470 loan that was used to fund the \$20,500 VTB from a limited partnership. In addition, Genesis paid off and closed several loans and credit facilities in December 2020.

Total loans and credit facilities increased in 2019 compared to 2018. This was mainly due to the acquisition of a \$18,624 VTB related to the purchase of the Calgary north lands and the acquisition of a \$14,470 loan that was used to fund the \$20,500 VTB from a limited partnership.

SUMMARY OF QUARTERLY RESULTS

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenues	26,531	34,988	29,529	18,713	19,817	29,739	30,725	23,652
Net earnings (loss) ⁽¹⁾	4,252	2,615	2,688	1,322	125	3,813	3,644	(7,383)
EPS ⁽²⁾	0.09	0.06	0.06	0.03	0.00	0.09	0.08	(0.17)

⁽¹⁾ Net earnings (loss) attributable to equity shareholders

⁽²⁾ Net earnings (loss) per share - basic and diluted

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Dividends declared	-	-	-	-	6,280	-	-	-
Dividends paid	-	-	-	6,280	-	-	-	-
Dividends declared - per share	-	-	-	-	0.14	-	-	-
Dividends paid - per share	-	-	-	0.14	-	-	-	-

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Residential lots sold to third-parties (units)	2	38	4	16	2	23	35	2
Residential lots sold through GBG (units)	47	47	62	31	28	53	52	30
Total residential lots sold (units)	49	85	66	47	30	76	87	32

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Homes sold (units)	51	47	62	31	28	53	52	30

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Development land revenues	-	4,945	-	925	7,146	320	175	8,987

Cash flows (used in) from operating activities	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Amount	(6,326)	1,247	7,084	383	22,858	9,893	7,044	8,188
Per share - basic and diluted	(0.15)	0.03	0.16	0.01	0.52	0.22	0.16	0.18

In general, revenues and net earnings are mainly affected by the volume of residential lot and home sales, development land parcel sales, and write-downs or reversals of write-downs, if any. Seasonality affects the land development and home building industry in Canada, particularly winter weather conditions. For additional details, please see information provided under the heading "Factors Affecting Results of Operations" in this MD&A which discusses the factors that affect Genesis' results and seasonality further.

During Q4 2021, Genesis sold 2 residential lots to third party builders and 51 homes of which 47 homes built on Genesis' lots. Revenues were lower in Q4 2021, compared to Q3 2021, due to no development land sales and significantly lower residential lot sales, with this being partially offset by higher residential home sales during the quarter. Q4 2021 included \$3,265 related to reversal of write-downs previously taken, while Q3 2021 included a \$1,003 corresponding reversal of a write-down. Gross margins in Q4 2021 were higher than in Q3 2021 with residential lots and home sales all contributing to this. In Q4 2021, the Corporation recorded \$562 as a gain in investments in land development entities with no gain recorded in Q3 2021. General and administrative expenses, selling and marketing expenses and net finance expenses were higher in Q4 2021 compared to Q3 2021. Income tax expenses were \$1,226 in Q4 2021 compared to \$801 in Q3 2021. As a result of these factors, net earnings in Q4 2021 were higher than in Q3 2021.

During Q3 2021, Genesis sold 38 residential lots to third party builders and 47 homes. Revenues were higher in Q3 2021, compared to Q2 2021, due to higher development land and residential lot sales, with this being partially offset by lower residential home sales during the quarter. Gross margins in Q3 2021 were marginally lower than in Q2 2021. While development land sales had a higher gross margin than in Q2 2021, this higher gross margin was offset by lower gross margins on residential lots and homes in Q3 2021. Q3 2021 gross margins also included \$1,003 related to the reversal of a write-down previously taken with no corresponding reversal of write-down or write-down in Q2 2021. Both selling and marketing expenses and net finance expenses were lower in Q3 2021 compared to Q2 2021 while general and administrative expenses were higher between Q3 2021 and Q2 2021. Income tax expenses were \$801 in Q3 2021 compared to \$955 in Q2 2021. As a result of these factors, net earnings in Q3 2021 were comparable to Q2 2021.

During Q2 2021, Genesis sold 4 residential lots to third party builders and 62 homes. Revenues were higher in Q2 2021, compared to Q1 2021, due to higher residential home sales, with this being partially offset by lower development land and residential lot sales during the quarter. Gross margins in Q2 2021 were significantly higher than in Q1 2021 mainly due to the higher volume of homes and total residential lots sold. Both general and administrative expenses, selling and marketing expenses were higher in Q2 2021 compared to Q1 2021 while net finance expenses were marginally lower between Q2 2021 and Q1 2021. Income tax expenses were \$955 in Q2 2021 compared to \$393 in Q1 2021. As a result of these factors, net earnings in Q2 2021 were higher than in Q1 2021.

During Q1 2021, Genesis sold 16 residential lots to third party builders, 31 homes and one development land parcel held by a controlled limited partnership. Revenues were lower in Q1 2021, compared to Q4 2020, due to lower development land revenues in Q1 2021, with this being partially offset by higher residential lot and home sales during the quarter. Gross margins in Q1 2021 were higher than in Q4 2020 mainly due to no write-down of real estate held for development and sale in Q1 2021 compared to \$822 in Q4 2020. While residential lots and homes had a higher gross margin than in Q4 2020, this higher gross margin was offset by lower gross margin on development land sales in Q1 2021. General and administrative expenses were lower in Q1 2021 compared to Q4 2020 while selling and marketing expenses and net finance expenses were comparable between Q1 2021 and Q4 2020. Income tax expenses were \$393 in Q1 2021 compared to \$496 in Q4 2020. As a result of these factors, net earnings in Q1 2021 were higher than in Q4 2020.

During Q4 2020, Genesis sold two residential lots to third party builders, 28 homes and two development land parcels. Revenues were lower in Q4 2020 compared to Q3 2020 due to lower residential lot and home sales in Q4 2020 compared to Q3 2020. This was partially offset by higher development land revenues in Q4 2020. Gross margins in Q4 2020 were affected by a lower volume of residential homes and lots sold and by a write-down of \$822. Gross margins are also affected by the product mix for both residential homes and residential lots. General and administrative expenses were higher in Q4 2020 compared to Q3 2020 while selling and marketing expenses and net finance expenses were comparable between Q4 2020 and Q3 2020. Income tax expenses were \$496 in Q4 2020 compared to \$850 in Q3 2020. As a result of these factors, net earnings in Q4 2020 were lower than in Q3 2020.

During Q3 2020, Genesis sold 23 residential lots to third party builders, 53 homes and a development land parcel held by a controlled limited partnership. Revenues were lower in Q3 2020 compared to Q2 2020 due to lower residential lot sales in Q3 2020 compared to Q2 2020. This was partially offset by higher development land revenues in Q3 2020. Gross margins in Q3 2020 were lower than in Q2 2020 mainly due to the product mix and impacted both residential homes and residential lots. The development land parcel sold in Q3 2020 had a slight negative margin. General and administrative expenses, selling and marketing expenses, net finance and income tax expenses were marginally lower in Q3 2020 than Q2 2020. As a result of these factors, net earnings in Q3 2020 were higher than in Q2 2020.

During Q2 2020, Genesis sold 35 residential lots to third party builders, 52 homes and a non-core development land parcel. Revenues were higher in Q2 2020 compared to Q1 2020 due to higher residential lot and homes sales in Q2 2020 compared to Q1 2020. This was partially offset by lower development land revenues in Q2 2020. Gross margins in Q2 2020 were higher than in Q1 2020 mainly due to there being no write-down of real estate held for development and sale in Q2 2020 while there was a \$10,815 write-down of real estate held for development and sale in Q1 2020. General and administrative expenses, selling and marketing expenses and net finance expenses were slightly lower in Q2 2020 than Q1 2020. Income tax expenses were incurred during Q2 2020 due to net earnings for the quarter compared to income tax recoveries due to losses incurred during Q1 2020.

During Q1 2020, Genesis sold 2 residential lots to third party builders, 30 homes and a development land parcel. Revenues were lower in Q1 2020 compared to Q4 2019 due to lower residential lot and homes sales in Q1 2020 compared to Q4 2019. This was partially offset by higher development land revenues in Q1 2020. Gross margins in Q1 2020 were lower than in Q4 2019 due to the development land parcel which had a negligible margin and the \$10,000 write-down of real estate held for development and sale. Selling and marketing expenses and net finance expenses were comparable in both Q1 2020 and Q4 2019. General and administrative expenses were lower in Q1 2020 compared to Q4 2019 which include costs incurred to purchase a VTB from LPLP 2007. Due to the net loss incurred in Q1 2020, there were income tax recoveries compared to income tax expenses in Q4 2019.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs or interpretations as of January 1, 2021.

NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2021 and 2022.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses (including stock-based compensation), assets and liabilities, and the disclosure of contingent liabilities at the reporting date for the land development and the home building businesses. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience, third party appraisals and reports and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. There were no material changes made to the critical accounting estimates for YE 2021 and YE 2020. Refer to note 2(p) in the consolidated financial statements for the years ended December 31, 2021 and 2020 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in estimated future development costs (net of recoveries, if any) related to land, lots and homes previously sold by Genesis and for which it has ongoing obligations directly impacts the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the longer time frames involved, particularly in land development.

Reversal of Write-down / Write-down of Real Estate Held for Development and Sale

The Corporation estimates the net realizable value ("NRV") of real estate held for development and sale at least annually or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuations conducted by independent real estate appraisers, other professional reports and estimates and takes into account recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Valuation of Amounts Receivable

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any overdue amounts and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

Investments in land development entities

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*. The CEO and CFO have designed, or caused to be designed under their direct supervision, Genesis’ DC&P to provide reasonable assurance that:

- (i) material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and
- (ii) information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Genesis’ ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

The CEO and CFO have evaluated the design and operating effectiveness of Genesis’ DC&P and ICFR and concluded that Genesis’ DC&P and ICFR were effective as at December 31, 2021. While Genesis’ CEO and CFO believe that the Corporation’s internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management’s belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in the Corporation’s ICFR during the three months and year ended December 31, 2021 that have materially affected or are reasonably likely to materially affect the Corporation’s ICFR. Due to the COVID-19 pandemic, Genesis successfully transitioned to working remotely in March 2020.

RISKS AND UNCERTAINTIES

The CMA economy has experienced a volatile economic period due to the continuing COVID-19 pandemic restrictions put in place and this combined with volatile energy prices, resulted in a decrease in economic activity and an increased unemployment level. These and other factors have had a negative impact on the CMA. The impact of the lifting of restrictions and the future price of oil are unknown at this time. As a result, it is not possible to reliably estimate the length and overall impact of these developments and the impact on the financial results and condition of the Corporation in future periods.

In the normal course of business, Genesis is exposed to certain risks and uncertainties inherent in the real estate development and home building industries. Real estate development and home building are cyclical and capital-intensive businesses. As a result, the profitability and liquidity of Genesis could be adversely affected by external factors beyond the control of management. Risks and uncertainties faced by Genesis include industry risk, competition, supply and demand, geographic risk, development and construction costs, credit and liquidity risks, finance risk, interest risk, management and key personnel risk, mortgage rates and financing risk, general uninsured losses, cyber-security and business continuity risk, environmental risk and government regulations.

There may be additional risks that management may need to consider from time to time. For a more detailed discussion on the Corporation’s risk factors, refer to Genesis’ AIF for the year ended December 31, 2021 available on SEDAR at www.sedar.com.

Development and Construction Cost Risk

Genesis may be impacted by higher prices of labour, consulting fees, construction services and materials. Costs of development and building have fluctuated over the past several years and are typically passed on to the end customer through higher pricing. Any significant increase that Genesis cannot pass on to the end customer may have a negative material impact on profits. Supply chain pressures have become an increasing risk due to economic restrictions put in place to control the spread of the SARS-COV2 virus, the impacts are unknown and largely unpredictable but could impact both the price and timely availability of materials.

Credit and Liquidity Risk

Credit risk arises from the possibility that third-party builders who agree to acquire lots from Genesis may experience financial difficulty and be unable to fulfill their lot purchase commitments.

Liquidity risk is the risk that Genesis will not be able to obtain financing for its servicing and other needs or be able to meet its financial obligations as they fall due. If Genesis is unable to generate sufficient sales, renew existing credit facilities or secure additional financing, its ability to meet its obligations as they become due may be impacted. Based on the Corporation's operating history, relationships with lenders and committed sales contracts, management believes that Genesis has the ability to continue to renew or repay its financial obligations as they become due.

Finance Risk

Genesis uses debt and other forms of financing in its business to execute the corporate strategy. Genesis uses project specific credit facilities to fund land development costs and construction operating lines for home construction purposes. Should Genesis be unable to retain or obtain such credit facilities, its ability to achieve its goals could be impacted. In order to reduce finance risk, Genesis endeavors to match the term of financing with the expected revenues of the underlying land asset.

Management regularly reviews the Corporation's credit facilities in accordance with review and renewal dates prescribed in the related agreements. The Corporation has successfully managed the requirements in accordance with project development plans and operating requirements.

Litigation Risk

All industries are subject to legal claims, with or without merit. The Corporation may be involved from time to time in various legal proceedings which may include potential liability from its operating activities and, as a public company, possibly from violations of securities laws or breach of fiduciary duty by its directors or officers. Defense and settlement costs can be substantial, even with respect to legal claims that have no merit. Due to the inherent uncertainty associated with litigation, the resolution of any legal proceeding could have a material effect on the financial position and results of operations of the Corporation.

Cybersecurity and Business Continuity Risk

Genesis' operations, performance and reputation depend on how its technology networks, systems, offices and sensitive information are protected from cyberattacks. Genesis' operations and business continuity depend on how well it protects, tests, maintains and replaces its networks, systems and associated equipment. The protection and effective organization of Genesis' systems, applications and information repositories are central to the security and continuous operation of its business.

Cyberattacks and threats (such as hacking, computer viruses, denial of service attacks, industrial espionage, unauthorized access to confidential information, or other breaches of network or IT security) continue to evolve and Genesis' IT defenses need to be regularly monitored and adapted. Vulnerabilities could harm Genesis' brand and reputation as well as its business relationships and could adversely affect its operations and financial results.

Genesis continues to carefully manage this risk and has the following in place to reduce and/or manage cybersecurity and business continuity risk: enterprise grade firewalls with the ability to detect port scanning, denial of service attacks and content filtering and application control to permit or deny traffic on the network. Genesis also has anti-virus software with behaviour based real-time threat end-point protection, ability to scan and lock down unauthorized system changes and/or file encryption and prevent suspicious network behaviour. In addition, all incoming and outgoing emails are scanned for content, suspicious URLs and the existence of recipients within the organization. Regular internal backups of network databases and files are made in case of data corruption or encryption. Internet facing services are additionally protected by MFA security methods. The Corporation maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage.

There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2021 available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

Non-GAAP measures do not have any standardized meaning according to IFRS, and therefore may not be comparable to similar measures presented by other reporting issuers.

Gross margin before reversal of write-down / write-down is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Gross margin before write-down is calculated by adjusting for write-down of real estate held for development and sale. Gross margin before write-down of real estate held for development and sale is used to assess the performance of the business without the effects of the non-cash write-down of real estate held for development and sale. Management believes it is useful to exclude write-down from the analysis as it could affect the comparability of financial results between periods and could potentially distort the analysis of trends in business performance. Excluding this item does not imply it is non-recurring. The most comparable GAAP financial measure is gross margin.

The tables below show the calculation of gross margin before reversal of write-down / (write-down), which is derived from gross margin:

Residential Lots	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Residential lot revenues	8,423	4,772	41,095	39,189
Gross margin	3,540	2,560	14,698	16,336
Write-down of real estate held for development and sale	-	-	-	-
Gross margin before write-down	3,540	2,560	14,698	16,336
Gross margin before write-down (%)	42.0%	53.6%	35.8%	41.7%

Development Land	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Development land revenues	-	7,146	5,870	16,628
Gross margin	3,265	509	4,919	(9,291)
(Reversal of write-down) / write-down of real estate held for development and sale	(3,265)	822	(4,268)	10,822
Gross margin before reversal of write-down / (write-down)	-	1,331	651	1,531
Gross margin before reversal of write-down / (write-down) (%)	-	18.6%	11.1%	9.2%

Homes	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Revenues for homes	26,024	12,198	92,416	75,025
Gross margin	3,397	1,620	12,226	8,670
Write-down of real estate held for development and sale	-	-	-	815
Gross margin before write-down	3,397	1,620	12,226	9,485
Gross margin before write-down (%)	13.1%	13.3%	13.2%	12.6%

Residential Lots, Development Land and Homes	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Total revenues	26,531	19,817	109,761	103,933
Gross margin	10,202	4,689	31,843	15,715
(Reversal of write-down) / write-down of real estate held for development and sale	(3,265)	822	(4,268)	11,637
Gross margin before reversal of write-down / (write-down)	6,937	5,511	27,575	27,352
Gross margin before reversal of write-down / (write-down) (%)	26.1%	27.8%	25.1%	26.3%

Net cash is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Net cash is calculated as the difference between cash and cash equivalents and loans and credit facilities. Management believes that net cash is an important measure to monitor leverage and evaluate the balance sheet. The most comparable GAAP financial measure is loans and credit facilities.

The table below show the calculation of net cash:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	63,975	29,743
Loans and credit facilities	32,668	21,470
Net cash	31,307	8,273

TRADING AND SHARE STATISTICS

The Corporation's trading and share statistics for 2021 and 2020 are provided below:

	2021	2020
Average daily trading volume	11,857	22,219
Share price (\$/share)		
High	3.00	2.45
Low	1.97	0.81
Close	2.31	2.09
Market capitalization at December 31,	131,354	87,494
Shares outstanding	56,863,335	41,863,335

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

ADVISORIES

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 - *Continuous Disclosure Obligations*, concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "proposed", "scheduled", "future", "likely", "seeks", "estimates", "plans", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Forward-looking statements are based on material factors or assumptions made by us with respect to, among other things, opportunities that may or may not be pursued by us; changes in the real estate industry; fluctuations in the Canadian and Alberta economy; changes in the number of lots sold and homes delivered per year; and changes in laws or regulations or the interpretation or application of those laws and regulations. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements in this MD&A and factors that could cause actual results to differ materially from such statements include, but are not limited to, those outlined in the following table:

Forward-looking statements in this MD&A include, but are not limited to:	Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to:
<ul style="list-style-type: none"> • statements relating to the COVID-19 pandemic; • the availability of excess cash on hand and its proposed use; • the future exercise of any right to purchase; • the future payment of dividends and/or common share buybacks; • the timing for removal of the GMO restricting development of the Logan Landing lands and the Lewiston lands; • the timing and approval of the Logan Landing; • Lewiston and Huxley outline plans and land use applications, and anticipated commencement of development of these lands; • the timing and approval of the conceptual scheme for the OMNI ASP and concept plan and ASP amendment for the remaining OMNI lands; • timing for closing of the acquisition of the Huxley lands, and the anticipated number of housing units in the community upon completion; • the expected completion dates of various projects that GBG is currently engaged in, the timeline for pre-construction homes and anticipated lot yields for projects under development; • plans and strategies surrounding the acquisition of additional land; • commencement of the servicing phase and the construction phase of various communities and projects; • the financing of such phases and expected increased leverage; • anticipated general economic and business conditions, including forecasted economic growth; • potential changes, if any, to the federal mortgage lending rules; • expectations for lot and home prices; • construction starts and completions; • future development costs; • anticipated expenditures on land development activities; • GBG's sales process and construction margins; • the payment of dividends; and • the ability to continue to renew or repay financial obligations and to meet liabilities as they become due. 	<ul style="list-style-type: none"> • the impact of contractual arrangements and incurred obligations on future operations and liquidity; • local real estate conditions, including the development of properties in close proximity to Genesis' properties; • the uncertainties of real estate development and acquisition activity; • fluctuations in interest rates; • ability to access and raise capital and debt financing on favorable terms, or at all; • not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; • the cyclical nature of the oil and gas industry; • changes in the Canadian US dollar exchange rate; • labour matters; • product availability due to supply chain issues and (or) cost increases; • governmental regulations; • general economic and financial conditions; • stock market volatility; and • other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including in this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors".

The forward-looking statements contained in this MD&A are made as of the date of this MD&A, based only on information currently available to us, and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



MANAGEMENT'S REPORT

To the Shareholders of Genesis Land Development Corp.:

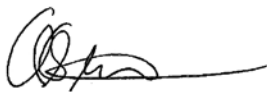
The consolidated financial statements and all information in the Management's Discussion and Analysis ("MD&A") are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with the accounting policies in the notes to the consolidated financial statements. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances. The financial information in the MD&A has been reviewed by management to ensure consistency with the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are

safeguarded and financial records properly maintained to provide reliable information for the preparation of consolidated financial statements.

The consolidated financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee is composed of three independent directors, and reports to the Board of Directors.

MNP LLP, an independent firm of Chartered Professional Accountants, was engaged to audit the consolidated financial statements in accordance with Canadian generally accepted auditing standards and IFRS to provide an independent auditors' opinion.



IAIN STEWART
President and Chief Executive Officer



WAYNE KING
Chief Financial Officer

March 2, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Genesis Land Development Corp.:

Opinion

We have audited the consolidated financial statements of Genesis Land Development Corp. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as at December 31, 2021 and December 31, 2020, and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS DESCRIPTION	AUDIT RESPONSE
<p>Real Estate Held for Development and Sale</p> <p>As at December 31, 2021, approximately 67% of the Corporation's assets or \$218.9 million are comprised of real estate held for development and sale (refer to Note 5). As described in Note 2e, real estate held for development and sale is measured at lower of cost or net realizable value.</p> <p>The determination of the net realizable value of real estate held for development and sale is considered to be a significant estimate. Each valuation requires consideration of various inputs including, but not limited to, the type of real estate, its location, stage of development and comparable market transactions. We therefore considered real estate held for development and sale to be a key audit matter.</p>	<p>We responded to this matter by performing audit procedures in relation to real estate held for development and sale. Our audit work in relation to this included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • We obtained the independent appraisals completed for the Corporation's real estate holdings. We verified that management had appropriately deducted future development costs and estimated selling costs from the appraised values to determine the net realizable value. We compared the carrying value to the estimated net realizable value. • We engaged our internal valuations group to review the independent appraisals to verify that the valuation methodologies used by the independent appraisers was generally accepted. • For real estate held for development and sale in which no appraisal was obtained, we assessed the carrying value based on recent sales made in the various phases. We performed a recalculation using the current year average sales price, multiplied by the number of lots remaining in each phase. We ensured expected future development costs and estimated selling costs were applied to the values in order to analyze the reasonability of net realizable value when compared to the carrying values in the general ledger.

	<ul style="list-style-type: none"> We assessed the appropriateness of the disclosures relating to the assumptions used in real estate held for development and sale in the notes to the consolidated financial statements.
<p>Provision for Future Development Costs</p> <p>As described in Notes 2n and 12, the Corporation has obligations related to the completion of land under development and housing projects. The Corporation recognizes a liability for the future costs to be incurred.</p> <p>The liability recognized for future land development and housing project costs involves inputs which rely on significant judgment from management, as well as significant reliance on the estimates made by third party engineers and architects. As such, future development and housing project costs have a high degree of subjectivity. We therefore considered the provision for future development costs to be a key audit matter.</p>	<p>We responded to this matter by performing procedures in relation to the provision for future land development and housing project costs. Our audit work in relation to this included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> We obtained copies of the estimated cost reports prepared by independent experts (engineers and architects) engaged by management. We obtained reliance letters from the independent appraisers and confirmed their professional qualifications and their role as specialists. For internally estimated future development costs, we had thorough discussions with managers in the land and home divisions of the Corporation to understand management's estimation process. We assessed the reasonableness of the internal estimates based on known historical and current information. We compared the prior year costs to complete ("CTC") balance to current year CTC by community and analyzed significant variances to ensure that the change in CTC from the prior year is reasonable. We also compared estimates in management's calculation to the reports obtained from independent engineer specialists. In addition, we recalculated the allocation of common land development costs to specific development phases and completed analytical procedures based on the percentage of lots sold to identify unexpected and unusual variances in the expected CTC balance. We performed a look back analysis by comparing the previous provision for future development cost estimates to subsequent actual costs incurred to gain comfort over management's process for determining estimates of future development costs. We assessed the appropriateness of the disclosures relating to the assumptions used in the provision for future land development costs in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis.
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and

whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Bonnell.



Chartered Professional Accountants

Calgary, Alberta
March 2, 2022

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	Notes	December 31, 2021	December 31, 2020
Assets			
Real estate held for development and sale	5	218,855	193,309
Amounts receivable	6, 20a	13,632	11,006
Vendor-take-back mortgage receivable	7	-	2,719
Investments in land development entities	8	6,170	5,608
Other operating assets	9	14,738	14,750
Right-of-use assets	10	655	712
Deferred tax assets	11	6,904	8,088
Income tax recoverable		-	559
Cash and cash equivalents		63,975	29,743
Total assets		324,929	266,494
Liabilities			
Loans and credit facilities	13	32,668	21,470
Dividend payable	14d	-	6,280
Customer deposits		9,002	3,889
Accounts payable and accrued liabilities	5, 20a	26,408	14,092
Lease liabilities	10	842	790
Income taxes payable		2,092	-
Provision for future development costs	12	17,979	20,213
Total liabilities		88,991	66,734
Commitments and contingencies	19		
Subsequent events	13b, 13c, 13d, 19c, 22		
Equity			
Share capital	14	82,383	52,489
Contributed surplus	15c	1,045	868
Retained earnings		145,196	134,319
Shareholders' equity		228,624	187,676
Non-controlling interest	22	7,314	12,084
Total equity		235,938	199,760
Total liabilities and equity		324,929	266,494

See accompanying notes to the consolidated financial statements.



/s/ **Stephen J. Griggs**
 Director and Chair



/s/ **Steven Glover**
 Director and Chair of the Audit Committee

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2021 and 2020
(In thousands of Canadian dollars except per share amounts)

		Year ended December 31,	
	Notes	2021	2020
Revenues			
Sales revenue		109,713	103,443
Other revenue		48	490
	21	109,761	103,933
Direct cost of sales		(82,186)	(76,581)
Reversal of write-down / (write-down) of real estate held for development and sale	5	4,268	(11,637)
		(77,918)	(88,218)
Gross margin		31,843	15,715
Gain in investments in land development entities	8	562	-
General and administrative	16	(12,025)	(10,408)
Selling and marketing	17	(5,143)	(4,463)
		(16,606)	(14,871)
Earnings from operations		15,237	844
Finance income		338	1,497
Finance expense	18	(1,220)	(2,593)
Earnings (loss) before income taxes		14,355	(252)
Income tax (expense) recovery	11	(3,375)	47
Net earnings (loss) being comprehensive earnings (loss)		10,980	(205)
Attributable to non-controlling interest	22	103	(404)
Attributable to equity shareholders		10,877	199
Net earnings per share - basic and diluted	14b	0.24	0.00

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(In thousands of Canadian dollars except number of shares)

	Notes	Equity attributable to Corporation's shareholders					Non-Controlling Interest	Total Equity
		Common shares - Issued		Contributed Surplus	Retained Earnings	Total Shareholders' Equity		
		Number of Shares	Amount					
At December 31, 2019		42,159,927	52,867	603	140,487	193,957	18,938	212,895
Share-based payments	15c	-	-	265	-	265	-	265
Normal course issuer bid	14c	(296,592)	(378)	-	(87)	(465)	-	(465)
Dividends declared	14d	-	-	-	(6,280)	(6,280)	-	(6,280)
Distributions	22	-	-	-	-	-	(6,409)	(6,409)
Net earnings (loss) being comprehensive earnings (loss) and other		-	-	-	199	199	(445)	(246)
At December 31, 2020		41,863,335	52,489	868	134,319	187,676	12,084	199,760

At December 31, 2020		41,863,335	52,489	868	134,319	187,676	12,084	199,760
Share-based payments	15c	-	-	177	-	177	-	177
Issued on rights offering, net	14e	15,000,000	29,894	-	-	29,894	-	29,894
Distributions	5, 22	-	-	-	-	-	(4,773)	(4,773)
Net earnings being comprehensive earnings and other		-	-	-	10,877	10,877	3	10,880
At December 31, 2021		56,863,335	82,383	1,045	145,196	228,624	7,314	235,938

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(In thousands of Canadian dollars)

		Year ended December 31,	
	Notes	2021	2020
Operating activities			
Receipts from residential lot sales		13,981	7,272
Receipts from development land sales		8,589	33,409
Receipts from residential home sales		95,480	75,255
Other cash receipts / (payments)		777	(421)
Paid for land development		(39,868)	(17,574)
Paid for lots / land acquisition		(3,993)	(4,246)
Paid for residential home construction		(57,323)	(34,311)
Paid to suppliers and employees		(16,053)	(14,309)
Interest received		338	1,497
Income tax refunds		460	1,411
Cash flows from operating activities		2,388	47,983
Investing activities			
Acquisition of equipment		(875)	(815)
Change in restricted cash		250	(256)
Contribution made for joint venture		(260)	-
Cash flows used in investing activities		(885)	(1,071)
Financing activities			
Advances from loans and credit facilities	13	61,517	17,241
Repayments of loans and credit facilities		(40,416)	(40,539)
Repayment of vendor-take-back mortgage payable	13b	(9,312)	(8,000)
Interest and fees paid on loans and credit facilities		(1,871)	(1,337)
Distributions to unit holders of limited partnerships	5	(803)	(317)
Dividends paid	14d	(6,280)	-
Proceeds from rights offering, net	14e	29,894	-
Repurchase and cancellation of shares under NCIB	14c	-	(465)
Cash flows from (used in) financing activities		32,729	(33,417)
Change in cash and cash equivalents		34,232	13,495
Cash and cash equivalents, beginning of period		29,743	16,248
Cash and cash equivalents, end of period		63,975	29,743

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

1. DESCRIPTION OF BUSINESS

Genesis Land Development Corp. (the "Corporation" or "Genesis") was incorporated under the Business Corporation Act (Alberta) on December 2, 1997.

The Corporation is engaged in the acquisition, development and sale of land, residential lots and homes primarily in the greater Calgary area. The Corporation reports its activities as two business segments: land development and home building.

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office are located at 6240, 333 - 96 Ave. NE, Calgary, AB T3K 0S3.

In March 2020, a global pandemic was declared, and a number health and safety recommendations were enacted by regulatory authorities. The Corporation has had to adapt its operations in both 2020 and 2021 to address the impact of COVID-19 regulations and requirements and ensure all requirements are being followed. The Corporation remains cautious as there is continued uncertainty as to the extent and duration of the economic and regulatory implications of COVID-19 which could have an adverse impact on the Corporation's financial position, negative impact on the value of its long term assets, future revenue and profitability of ongoing operations.

The consolidated financial statements of Genesis were approved for issuance by the Board of Directors on March 2, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The significant accounting policies of the Corporation are set out below. These policies have been consistently applied to each of the years presented, unless otherwise indicated.

a) **Statement of compliance**

The consolidated financial statements of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) **Basis of presentation**

The consolidated financial statements have been prepared under the historical cost convention except for the financial assets classified as fair value through profit or loss and stock options and deferred share units that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency, and all values are rounded to the nearest thousand, except per share values and where otherwise indicated.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. When the Corporation has less than 50% equity ownership in these limited partnership entities, the Corporation may still have control over these entities' activities, projects, financial and operating policies due to contractual arrangements. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Controlled entities are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date when such control ceases. Control exists when the Corporation has the power, directly or indirectly, to govern the financial and operating policies of an entity. All intra-group transactions, balances, dividends and unrealized gains and losses resulting from intra-group transactions are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not owned by the Corporation and are presented separately from shareholders' equity in the consolidated statements of comprehensive income (loss) and within equity in the consolidated balance sheets. Losses within a controlled entity are attributed to the non-controlling interest even if that results in a deficit balance.

d) Revenue recognition

(i) Residential lot sales

Lot sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when the Corporation has the ability to release the lot to the purchaser after agreed to services pertaining to the property have been substantially performed.

Indicators of transfer of control to a purchaser include a present right to payment at the closing date of the contract, the purchaser having full access to the lot and the purchaser's ability to obtain a building permit from the relevant authority, all indicating that significant risk and rewards of ownership have been transferred to the purchaser who has signed a contract and has made a minimum 15% non-refundable deposit. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received.

Deposits received upon signing of contracts for purchases of lots on which revenue recognition criteria have not been met are recorded as customer deposits.

(ii) Development land sales

Development land sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are satisfied after agreed to services pertaining to the property have been substantially performed.

Indications of transfer of control to a purchaser include registering the subdivision plan with the land titles office and transferring title of the land to the purchaser on receipt of full payment, all indicating significant risk and rewards of ownership are transferred to the purchaser. In situations where extended payment terms are provided to a purchaser, an appropriate rate of interest is included, and the Corporation secures appropriate security for the remaining unpaid portion before title to the land is transferred to the purchaser.

Deposits received upon signing of contracts for purchases of land on which revenue recognition criteria have not been met are recorded as customer deposits.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Residential home sales

Home sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when title to the completed home is conveyed to the purchaser, at which time all proceeds are received or collection is reasonably assured.

Deposits received from customers upon signing of contracts for purchases of completed homes for which revenue recognition criteria have not been met are recorded as customer deposits.

(iv) Finance income

Finance income is recognized as it accrues using the effective interest rate method.

(v) Other revenue

Rental income is recognized on a straight-line basis over the term of the rental agreement. Rental income is incidental to ownership of real estate and does not result in classification of real estate as investment property. All real estate is classified as inventory. Deposits forfeited are recognized as income.

e) Real estate held for development and sale

Land under development, land held for future development and housing projects under construction are inventory and are measured at the lower of cost and estimated net realizable value ("NRV"). NRV is the estimated selling price in the ordinary course of the business at the balance sheet date, less costs to complete and estimated selling costs.

Cost includes land acquisition costs, other direct costs of development and construction, borrowing costs, property taxes and legal costs. These costs are allocated to each phase of the project in proportion to saleable acreage.

f) Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of the funds. The acquisition or construction of real estate assets takes a substantial period of time, which is a year or more, to develop it for its intended use or sale. Borrowing costs attributable to real estate held for development and sale are recorded as part of the respective inventory carrying cost from the date of commencement of development work until the date of completion. All other borrowing costs are expensed in the period in which they are incurred. The recording of interest to inventory is suspended if the project's development is suspended for a prolonged period.

g) Property and equipment

Property and equipment is stated at cost, net of any accumulated depreciation and accumulated impairment losses. Depreciation is provided on all operating property and equipment based on the straight-line method over the estimated useful lives of the property and equipment. The useful lives of the properties are as follows:

- | | |
|----------------------------------|--|
| • Vehicles and other equipment | 5 years |
| • Office equipment and furniture | 7 years |
| • Computer hardware and software | 3 years |
| • Showhome furniture | 3 years |
| • Leasehold improvements | Lesser of useful life of the improvement or the lease term |

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Income taxes

Income tax is recognized in the consolidated statements of comprehensive income (loss) except to the extent that it related to items recognized directly in equity, in which case it is recognized in equity.

Income taxes comprise the following:

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, using tax rates and laws that are enacted or substantively enacted as at the balance sheet date.

(ii) Deferred tax

Deferred tax is provided at the balance sheet date using the liability method on all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available, against which deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The Corporation's consolidated financial statements include some entities that are limited partnerships (note 22) and are not subject to income taxes. The income or loss for Canadian tax purposes is attributable to the taxable income of the limited partners in accordance with the provisions of the Income Tax Act (Canada). The calculation of income tax expense reflects the exclusion of taxable income allocated to limited partners that form part of the non-controlling interest.

i) Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and short-term deposits with an original maturity of three months or less.

j) Leases

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial assets

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The three primary measurement categories for financial assets are: amortized cost, fair value through profit and loss (“FVTPL”), and fair value through other comprehensive income (“FVOCI”).

Financial assets measured at amortized cost are assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments classified as amortized cost are initially measured at fair value plus directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest rate method, less impairment. The amortization and losses arising from impairment are recognized in the consolidated statements of comprehensive income (loss).

Financial assets at FVOCI are assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL are assets that do not meet the criteria for amortized cost or FVOCI. Financial assets classified as FVTPL are carried on the balance sheet at fair value with changes in fair value recognized in the consolidated statements of comprehensive income (loss). Transaction costs are expensed as incurred.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the Corporation transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability.

Loss allowance for trade receivables is calculated using the expected lifetime credit loss model and recorded at the time of initial recognition. Title to land sold is typically transferred on receipt of full payment from the purchaser. In situations where extended payment terms are provided to a purchaser, the Corporation secures adequate security for the remaining unpaid portion before title to the land is transferred to the purchaser. The Corporation experiences no material impact of the loss allowance for trade receivables due to the above. The expected loss allowance using the lifetime credit loss approach, has no material impact on the consolidated financial statements.

The Corporation recognizes bad debt expense or recovery relating to amounts receivable on sold lots, net of the value of the related sold lots, on the termination of the relevant agreement, which are taken back into the Corporation’s lot inventory. Bad debt expense or recovery is included in the Corporation’s general and administrative expenses.

l) Financial liabilities

The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are: amortized cost and FVTPL.

Financial liabilities classified as amortized cost are financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the consolidated statements of comprehensive income (loss).

Financial liabilities measured at FVTPL are financial liabilities measured at fair value with changes in fair value and interest expense recognized in the consolidated statements of comprehensive income (loss).

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and financial liabilities are offset, and the net amount presented on the balance sheet when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation's financial instruments (assets and liabilities) are classified as follows:

• Cash	FVTPL
• Cash equivalents	Amortized cost
• Deposits	Amortized cost
• Equity investments in land development entities	FVTPL
• Restricted cash	FVTPL
• Amounts receivable	Amortized cost
• Vendor-take-back mortgage receivable	Amortized cost
• Accounts payable and accrued liabilities	Amortized cost
• Loans and credit facilities	Amortized cost

m) Earnings per share

The amount of basic earnings per share is calculated by dividing the comprehensive earnings attributable to equity holders by the weighted average number of shares outstanding during the period. The diluted earnings per share amount is calculated giving effect to the potential dilution that would occur if stock options were exercised. The treasury stock method is used to determine the dilutive effect of stock options.

The calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively when the number of common shares outstanding increases as a result of a rights offering.

n) Provision for future development costs

The Corporation sells land, lots and homes for which it is responsible to pay for future development costs. For land development, the provision for future development costs represents the estimated remaining construction costs related to previously sold land, including all direct and indirect costs expected to be incurred during the remainder of the servicing period, net of expected recoveries. The provision is reviewed periodically and, when the estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to the provision for future development costs and a corresponding adjustment is made to land under development and/or cost of sales. For home building, the provision for future development costs represents the costs likely to be incurred on remaining seasonal work and estimated warranty charges over the one-year warranty period.

o) Share-based compensation

The Corporation has a long-term incentive plan comprised of a stock option plan and a deferred share unit ("DSU") plan.

(i) Stock options

The Corporation's stock option plan allows for the recipients to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant. Options are issued with exercise prices not less than the fair market value of the common shares at the date of grant and with terms not exceeding ten years from the date of grant.

The fair value of share-based payments related to the stock options granted is calculated at the grant date using the Black-Scholes Option-Pricing Model. The costs of the share-based payments are recognized on a proportionate basis over the related vesting period of each tranche of the grant as an expense with recognition of the corresponding increase in contributed surplus. Any consideration paid on the exercise of stock options, together with any related contributed surplus, is credited to the share capital account.

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans.

The dilutive effect of outstanding options is reflected in the computation of earnings per share.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Deferred share unit plan

DSUs are notional common shares of the Corporation that do not settle until the recipient leaves the Corporation. The Corporation's DSU plan allows for the participants to receive cash-settled DSUs. The fair value of DSUs and the cash payment, when made, is based on the common share price of the Corporation at the relevant time. Vesting provisions for DSUs are determined at the time of issuance.

The fair value of the DSUs is recognized as share-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of DSUs expected to vest. DSUs are measured at their fair value at each reporting period on a mark-to-market basis. The accrued liability is reduced on the cash payout of any DSU.

p) Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The following are the most significant accounting judgments and estimates made by the Corporation in applying accounting policies:

Judgments

(i) Revenue recognition

Revenue recognition for development lands requires judgment to determine when performance obligations are satisfied and transfer of control has passed to the purchaser. The Corporation reviews each contract and evaluates all the factors to determine the appropriate date to recognize revenue.

(ii) Consolidation

The Corporation applies judgment in determining control over certain limited partnerships based on a review of all contractual agreements to determine if the Corporation has control over the activities, projects, financial and operating policies of the limited partnerships.

(iii) Income taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of the business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the provision for current and deferred taxes.

(iv) Net realizable value ("NRV")

NRV for land and housing projects held for development and sale is estimated with reference to market prices and conditions existing at the balance sheet date. This is determined by the Corporation having considered suitable external advice including independent real estate appraisers and recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) *Legal contingencies*

The Corporation applies judgment as it relates to the outcome of legal proceedings to determine whether a provision and disclosure in the consolidated financial statements is required. Among the factors considered in making such judgments are the nature of litigation, claim or assessment, the legal process and potential level of damages, the progress of the case, the opinions or views of legal advisers and any decision of the Corporation's management as to how it will respond to the litigation, claim or assessment.

Estimates

(i) *Provision for future development costs*

Changes in estimated future development costs, which are generally provided by third party service providers, directly impact the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the long time frames involved, specifically in land development.

(ii) *Reversal of write-down / Write-down of real estate held for development and sale*

The Corporation estimates the NRV of real estate held for development and sale and investments in land development entities at least annually for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuations conducted by independent real estate appraisers and other third-party advisors and is also based on housing projects in the same geographic area.

(iii) *Valuation of amounts receivable and vendor-take-back mortgage receivable*

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any amounts becoming overdue and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

(iv) *Share-based compensation*

The fair values of equity-settled share-based payments are estimated using the Black-Scholes options pricing model. These estimates are based on the Corporation's share price and on several assumptions, including the risk-free interest rate, the future forfeiture rate, time to expiry, and the expected volatility of the Corporation's share price. Accordingly, these estimates are subject to measurement uncertainty.

(v) *Investments in land development entities*

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets.

3. STANDARDS AND AMENDMENTS TO EXISTING STANDARDS DURING 2021

The Corporation adopted no new IFRSs and interpretations during 2021.

4. NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2021 and 2022.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

5. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multi-family & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra-segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2020	48,699	141,812	16,738	207,249	11,995	(4,194)	215,050
Development activities	3,430	30,851	41,596	75,877	317	-	76,194
Transfer	20,811	(20,811)	-	-	-	-	-
Acquisition	-	-	12,804	12,804	-	-	12,804
Sold	(31,048)	-	(42,268)	(73,316)	(2,748)	-	(76,064)
As at December 31, 2021	41,892	151,852	28,870	222,614	9,564	(4,194)	227,984
Provision for write-downs							
As at December 31, 2020	5,169	14,135	548	19,852	1,889	-	21,741
Sold	(5,907)	-	(548)	(6,455)	(1,889)	-	(8,344)
Transfer	5,855	(5,855)	-	-	-	-	-
Reversal of write-down of real estate held for development and sale	(715)	(3,553)	-	(4,268)	-	-	(4,268)
As at December 31, 2021	4,402	4,727	-	9,129	-	-	9,129
Net book value							
As at December 31, 2020	43,530	127,677	16,190	187,397	10,106	(4,194)	193,309
As at December 31, 2021	37,490	147,125	28,870	213,485	9,564	(4,194)	218,855

During the year ended December 31, 2021, the Corporation closed the sales of four parcels of development land for \$5,870 (2020 - \$16,628). This included the sale of a 463.2-acre parcel of development land, located in British Columbia, belonging to a limited partnership for \$925. The limited partnership made a distribution of \$803 to its unit holders from the proceeds of this sale.

During the year ended December 31, 2021, the Corporation entered into binding agreements to acquire 98 residential lots in the Calgary Metropolitan Area for \$12,804. The Corporation paid non-refundable deposits of \$3,678, with the balance of \$9,126, due on closing which is scheduled between February 2022 and April 2023. This amount is included in accounts payable and accrued liabilities as at December 31, 2021 (December 31, 2020 - \$Nil).

During the year ended December 31, 2021, interest of \$166 (2020 - \$Nil) was capitalized as a component of development activities.

During the year ended December 31, 2021, the Corporation recorded reversals of write-downs of \$4,268 related to write-downs previously taken on real estate held for development and sale. The reversals of the write-downs were taken to reflect the estimated returns realizable on completion of development and sale of these lands.

During the year ended December 31, 2020, the Corporation recorded write-downs of \$11,637. A net write-down of \$10,822 was taken on three parcels of land inventory and a parcel of land held for development and a write-down of \$815 was taken on a townhouse project.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

6. AMOUNTS RECEIVABLE

	2021	2020
Agreements receivable	12,135	10,466
Other receivables	1,497	540
	13,632	11,006

Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots. On receipt of a minimum 15% non-refundable deposit and after agreed to services pertaining to the property have been substantially performed, the purchaser is deemed to have control over the lot and is permitted to start construction. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received (see note 20a). Certain agreements receivable and mortgages receivable, if any, are interest bearing.

7. VENDOR-TAKE-BACK MORTGAGE RECEIVABLE

	2021	2020
Vendor-take-back mortgage receivable	-	2,719
	-	2,719

During 2020, the Corporation closed the sale of an 8.17-acre parcel of development land in northwest Calgary for \$8,987 in consideration for a cash payment of \$3,768 and a \$5,219 vendor-take-back mortgage with an interest rate of 5% per annum. The vendor-take-back mortgage was repayable in three installments of which two installments of \$1,250 each were paid on March 31, 2020 and June 30, 2020. The last installment of \$2,719 was paid on December 15, 2021. Interest totaling \$132 was received during 2021 (2020 - \$127).

8. INVESTMENTS IN LAND DEVELOPMENT ENTITIES

	2021	2020
Investment in land development limited partnership – 5% interest	1,890	1,850
Investment in land development joint venture – 8% interest	4,280	3,758
	6,170	5,608

The fair value of investments in land development entities are based on the market approach method which were obtained from external third-party appraisals. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets. The Corporation recorded \$562 as a gain in investment in land development entities during 2021 (2020 - \$Nil).

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

9. OTHER OPERATING ASSETS

	2021	2020
Deposits	6,676	5,960
Prepayments	589	480
Restricted cash	5,992	7,351
Property, equipment and other	1,481	959
	14,738	14,750

Deposits include amounts paid to development authorities as security to guarantee the completion of construction projects under development. The deposits are refundable upon completion of the related projects and earn interest at rates approximating those earned on guaranteed investment certificates. The Corporation has also provided letters of credit and surety bonds as security to guarantee the completion of certain construction projects (see note 19a for additional information). Deposits also include amounts paid towards purchase of lots and land. Restricted cash includes amounts that has been placed in trust pending distribution to LPLP2007 unit holders (refer to note 19c for additional information).

10. LEASES

Right-of-Use Assets	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
As at January 1, 2021	60	630	22	-	712
Additions	9	-	-	140	149
Depreciation charge for the year ⁽¹⁾	(19)	(102)	(13)	(72)	(206)
As at December 31, 2021	50	528	9	68	655
As at December 31, 2020	60	630	22	-	712

Lease Liabilities	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
As at January 1, 2021	62	705	23	-	790
Additions	9	-	-	163	172
Lease payments	(21)	(40)	(14)	(86)	(161)
Interest for the year ⁽¹⁾	3	34	1	3	41
As at December 31, 2021	53	699	10	80	842
As at December 31, 2020	62	705	23	-	790

Lease Liabilities – undiscounted cash flows	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
January 1, 2022 to December 31, 2022	22	63	10	81	176
January 1, 2023 to February 27, 2027	34	741	-	-	775
As at December 31, 2021	56	804	10	81	951
As at December 31, 2020	67	844	24	-	935

⁽¹⁾ Discount rate used ranged between 3.26% and 4.84%.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

10. LEASES (continued)

Amounts recognized in statements of comprehensive income	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
Interest on lease liabilities	3	34	1	3	41
Total for the year ended December 31, 2021	3	34	1	3	41
Total for the year ended December 31, 2020	3	23	1	-	27

Amounts recognized in the statement of cash flows ⁽²⁾	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
Interest paid	3	34	1	3	41
Payment of lease liabilities	18	6	13	83	120
Total for the year ended December 31, 2021	21	40	14	86	161
Total for the year ended December 31, 2020	20	144	14	-	178

⁽²⁾ These amounts are included in the line item "paid to suppliers and employees" in the consolidated statements of cash flows.

11. INCOME TAXES

a) Income tax was recognized in the consolidated statements of comprehensive income (loss) as follows:

	2021	2020
Current income tax expense (recovery)	2,191	(826)
Deferred income tax expense	1,184	779
Income tax expense (recovery)	3,375	(47)

b) Income tax expense differed from that which would be expected from applying the combined statutory Canadian federal and provincial income tax rates of 23.00% (2020 - 24.00%) to earnings before income taxes. The difference resulted from the following:

	2021	2020
Earnings (loss) before income taxes	14,355	(252)
Statutory tax rate	23.00%	24.00%
Expected income tax expense (recovery)	3,302	(60)
Change in tax rate impact on future tax	-	201
Share-based compensation	135	172
Other	(38)	(457)
Non-controlling interest	(24)	97
Tax expense (recovery) for the year	3,375	(47)

c) The deferred tax assets (liabilities) of the Corporation were as follows:

	2021	2020
Deferred tax assets	7,672	8,911
Deferred tax liabilities	(768)	(823)
Net deferred tax assets	6,904	8,088

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. INCOME TAXES (continued)

d) The components of the net deferred tax asset were as follows:

	2021	2020
Real estate held for development and sale	4,542	5,417
Reserves from land sales	(598)	(555)
Unamortized financing costs	2,810	2,740
Other temporary differences	150	486
Net deferred tax assets	6,904	8,088

12. PROVISION FOR FUTURE DEVELOPMENT COSTS

The movement in the provision for future development costs is as follows:

	Land Development	Home Building	Total
As at December 31, 2020	18,737	1,476	20,213
Additions	5,253	11,758	17,011
Changes to estimates	(67)	(416)	(483)
Development activities	(8,827)	(9,935)	(18,762)
As at December 31, 2021	15,096	2,883	17,979

	Land Development	Home Building	Total
As at December 31, 2019	17,828	1,274	19,102
Additions	7,729	7,008	14,737
Changes to estimates	(554)	(306)	(860)
Development activities	(6,266)	(6,500)	(12,766)
As at December 31, 2020	18,737	1,476	20,213

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

13. LOANS AND CREDIT FACILITIES

	2021	2020
Secured by agreements receivable and real estate held for development and sale		
a) Demand land project servicing loan from a major Canadian chartered bank, payable on collection of agreements receivable, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of \$11,583. The loan matures on May 12, 2024.	5,794	-
Secured by real estate held for development and sale		
b) The VTB bearing interest at 5% per annum was entered into on September 13, 2019 in partial payment for the purchase of approximately 130 acres of future residential development land in north Calgary. The VTB is secured by these lands which have a carrying value of \$36,483. The VTB is repayable in two installments of approximately \$9,312 each in May 2021 and 2022. The first installment of \$9,312 was paid in May 2021. Subsequent to December 31, 2021, in January 2022, the final installment of \$9,312 was paid.	9,312	18,624
Secured by specific dedicated lands and a general corporate charge on all assets of the Corporation		
c) Corporate revolving line of credit up to \$50,000 with a major Canadian financial institution at an interest rate per annum equal to the higher of prime +1.90% or 4.35%. Subsequent to December 31, 2021, in February 2022, the loan was renewed and matures on February 1, 2025.	16,237	-
Secured by housing projects under development		
d) Demand operating line of credit up to \$6,500 from a major Canadian chartered bank, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division. Subsequent to December 31, 2021, in January 2022, the loan was amended to increase the operating line of credit facility up to \$10,000.	1,917	1,662
e) Demand project specific townhouse construction loans from a major Canadian chartered bank, payable on collection of sale and closing proceeds, bearing interest at prime +0.90% per annum, secured by the project with a carrying value of \$2,797. One loan was closed in June 2021 and the other loan matures on August 28, 2022.	-	1,185
	33,260	21,471
Deferred fees on loans and credit facilities	(592)	(1)
	32,668	21,470

A lender has a general security agreement on all property of the Corporation and its subsidiaries, in addition to specific security mentioned above.

The weighted average interest rate of loan agreements with financial institutions was 3.92% (December 31, 2020 - 3.26%) based on December 31, 2021 balances.

During the year ended December 31, 2021, the Corporation received advances of \$61,517 (2020 - \$17,241) relating to various loan facilities. These are secured by real estate held for development and sale, housing projects under development, specific dedicated lands and a general corporate charge on all assets of the Corporation. These loan facilities bear interest ranging from prime +0.50% to the higher of prime +1.90% or 4.35% per annum, with maturity dates ranging from August 28, 2022 to May 12, 2024. During the year ended December 31, 2021, the Corporation incurred interest expenses of \$1,096 directly related to these loans (2020 - \$2,232).

The Corporation and its subsidiaries have various covenants in place with their lenders with respect to credit facilities including credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other terms such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure. As at December 31, 2021 and 2020, the Corporation and its subsidiaries were in compliance with all loan covenants.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

13. LOANS AND CREDIT FACILITIES (continued)

Based on the contractual terms, the Corporation's loans and credit facilities are to be repaid within the following time periods (excluding deferred fees on loans and credit facilities):

January 1, 2022 to December 31, 2022	11,229
January 1, 2023 to December 31, 2023	-
January 1, 2024 to December 31, 2024	22,031
	33,260

14. SHARE CAPITAL

a) **Authorized**

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value, none issued.

b) **Weighted average number of shares**

The following table sets forth the weighted average number of common shares outstanding for the year ended December 31, 2021 and 2020:

	Year ended December 31,	
	2021	2020
Basic	44,642,895	44,385,301
Effect of dilutive securities - stock options	-	-
Diluted	44,642,895	44,385,301

All 855,000 options outstanding at the year ended December 31, 2021 (2020 - 2,535,000) were excluded in calculating diluted earnings per share as their weighted average exercise price was higher than the average market price of the Corporation's shares during the period.

Basic and diluted earnings per share and weighted average number of shares for prior periods have been recalculated to account for the impact of the Corporation's share issue pursuant to a rights offering (note 14e) that closed on December 17, 2021.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

14. SHARE CAPITAL (continued)

c) Normal course issuer bid (“NCIB”)

The Corporation’s NCIB expired on October 12, 2021. This NCIB allowed the Corporation to purchase for cancellation up to 2,098,885 common shares.

The following table sets forth the number of common shares repurchased and cancelled during the year ended December 31, 2021 and 2020 under the NCIB.

	Year ended December 31,	
	2021	2020
Number of shares repurchased and cancelled	-	296,592
Reduction in share capital	-	378
Change in retained earnings	-	87
Reduction in shareholders’ equity	-	465
Average purchase price per share	-	1.58

d) Dividends paid

No dividends were declared during the year ended December 31, 2021. Cash dividends of \$6,280 (\$0.15 per share), declared on December 9, 2020, were paid on January 11, 2021.

e) Rights offering

On November 10, 2021, the Corporation announced the offering of rights (the “Rights Offering”) to eligible holders of its common shares (the “Common Shares”) at the close of business on the record date of November 18, 2021, on the basis of one right (a “Right”) for each Common Share held. Each whole Right entitled the holder to subscribe for 0.3583088 of a Common Share upon payment of the subscription price of \$2.00 per Common Share. The Rights Offering closed on December 17, 2021, and all Rights were exercised in exchange for 15,000,000 Common Shares. The Corporation received gross proceeds of \$30,000 and paid issuance costs of \$106. The net proceeds of \$29,894 are shown in the Statements of Changes in Equity.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. SHARE-BASED COMPENSATION

a) Stock Option Plan

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans. Stock options have a 7-year term and vest 25% on each of the first, second, third and fourth anniversary dates of the grant.

Details of stock options are as follows:

	Year ended December 31,			
	2021		2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	2,535,000	\$3.31	2,535,000	\$3.31
Options cancelled pursuant to revised long-term incentive plan	(1,680,000)	\$3.31	-	-
Outstanding - end of period	855,000	\$3.31	2,535,000	\$3.31
Exercisable - end of period	641,250	\$3.31	1,072,500	\$3.34

Range of Exercise Prices (\$)	Outstanding		Exercisable		Weighted Average Remaining Contractual Life in Years
	Number at December 31, 2021	Weighted Average Exercise Price	Number at December 31, 2021	Weighted Average Exercise Price	
3.12 - 3.48	855,000	\$3.31	641,250	\$3.31	3.85

No stock options were issued during the year ended December 31, 2021 (2020 - Nil).

b) Deferred Share Unit Plan ("DSU")

The Corporation's cash settled DSU plan provides for DSUs to be issued to directors and designated employees. DSUs are issued with various vesting terms, currently ranging between three to four years. Details of outstanding DSUs are as follows:

	Year ended December 31,	
	2021	2020
Outstanding - beginning of period	354,258	70,941
DSUs granted	334,033	283,317
DSUs cancelled	(114,548)	-
Outstanding - end of period	573,743	354,258
Vested - end of period	115,490	92,068

The outstanding liability related to cash settled DSUs as at December 31, 2021 was \$947 (December 31, 2020 - \$537) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. SHARE-BASED COMPENSATION (continued)

c) Share-based compensation expense

Share-based compensation was recorded and included as a part of general and administrative expense and is comprised of the following:

	Year ended December 31,	
	2021	2020
Stock options	177	265
Deferred share units related to grants which are to be cash settled	410	453
Total share-based compensation expense	587	718

16. GENERAL AND ADMINISTRATIVE

The general and administrative expense of the Corporation consisted of the following:

	Years ended December 31,	
	2021	2020
Compensation and benefits	7,359	6,855
Share-based compensation	587	718
Corporate administration	2,291	1,775
Professional services	1,788	1,060
	12,025	10,408

Compensation and benefits of the directors and key management personnel, included in the general and administrative expenses above, were as follows:

	Years ended December 31,	
	2021	2020
Salaries, wages and benefits	2,112	1,951
Share-based compensation	587	718
	2,699	2,669

17. SELLING AND MARKETING

Selling and marketing expenses of the Corporation consisted of the following:

	Years ended December 31,	
	2021	2020
Advertising and marketing	3,114	2,786
Sales commissions	2,029	1,677
	5,143	4,463

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

18. FINANCE EXPENSE

Finance expense of the Corporation consisted of the following:

	Years ended December 31,	
	2021	2020
Interest incurred	479	1,329
Interest relating to VTB (note 13)	658	931
Financing fees amortized	249	333
Interest and financing fees capitalized (note 5)	(166)	-
	1,220	2,593

19. COMMITMENTS AND CONTINGENCIES

- a) The Corporation has issued letters of credit and surety bonds pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at December 31, 2021, these amounted to \$7,747 (December 31, 2020 - \$3,666).
- b) The Corporation is committed to pay levies and municipal fees relating to signed municipal agreements on commencement of development of certain real estate assets with the following future payments:

January 1, 2022 to December 31, 2022	4,942
January 1, 2023 to December 31, 2023	5,255
January 1, 2024 to December 31, 2024	1,697
	11,894

- c) The Corporation was named as a co-defendant in an action brought by three limited partners of LPLP 2007 and its affiliated RRSP limited partnerships. In December 2021, the parties reached a final settlement of the litigation. The settlement was approved by the Court, which certified a class consisting of all remaining unitholders in LPLP 2007 or its affiliated RRSP limited partnerships at that time. The settlement is binding on all class members. An amount of \$523 was included in accounts payable and accrued liabilities as at December 31, 2021. Subsequent to December 31, 2021, a total settlement of \$523 has been paid out to the plaintiffs.
- d) The Corporation has contracted to acquire 163 residential lots in the Calgary Metropolitan Area for \$24,670 from third-party land developers. The Corporation has paid deposits totaling \$2,613 with the remainder being payable as follows:

January 1, 2022 to December 31, 2022	6,068
January 1, 2023 to December 31, 2023	13,651
January 1, 2024 to December 31, 2024	2,338
	22,057

- e) During the year ended December 31, 2021, the Corporation entered into a binding agreement to acquire approximately 157 acres of future residential development land in the City of Calgary for \$29,150. The Corporation paid a non-refundable deposit of \$2,186, with the balance of \$26,964 to be paid on closing, currently scheduled for April 2022. In addition, the Corporation entered into a binding agreement to acquire approximately 3.56 acres of land adjacent to this land for \$663. The Corporation paid a deposit of \$132, with the balance of \$531 to be paid on closing, currently scheduled for July 2022.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

20. FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities approximate their carrying values as they are typically expected to be settled within twelve months. The fair value of deposits approximates their carrying value as the terms of deposits are comparable to the market terms for similar instruments.

The fair values of the Corporation's loans and credit facilities, amounts receivable and vendor-take-back mortgage receivable were estimated based on current market rates for loans of the same risk and maturities.

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets.

Fair value measurements recognized in the consolidated balance sheets are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. The three fair value hierarchy levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities measured at FVTPL as at December 31, 2021 and December 31, 2020 are presented in the following table:

	Fair Value Hierarchy	Measurement Basis	Carrying Value		Fair Value	
			As at Dec. 31, 2021	As at Dec. 31, 2020	As at Dec. 31, 2021	As at Dec. 31, 2020
Financial Assets						
Cash	Level 1	FVTPL	63,975	29,743	63,975	29,743
Investments in land development entities	Level 3	FVTPL	6,170	5,608	6,170	5,608
Restricted cash ⁽¹⁾	Level 1	FVTPL	5,992	7,351	5,992	7,351

⁽¹⁾ Included in other operating assets.

During the year ended December 31, 2021 and 2020, no transfers were made between the levels in the fair value hierarchy.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

20. FINANCIAL INSTRUMENTS (continued)

a) Risks associated with financial instruments

(i) Credit risk

The Corporation recognizes bad debt expense (or recovery) relating to amounts receivable on sold lots, net of the value of the related sold lots which are taken back into the Corporation's lot inventory on the termination of the relevant agreement. Termination could occur when the buyer fails to perform or observe terms of covenants of the relevant agreement. Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots.

Recovery of bad debt expense is included in the Corporation's general and administrative expenses. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received. Individual balances due from customers as at December 31, 2021, which comprise greater than 10% of total amounts receivable, totaled \$12,135 from three customers (December 31, 2020 - \$10,235 from two customers).

Aging of amounts receivable on sold lots was as follows:

	2021	2020
Not past due	12,135	10,466
	12,135	10,466

(ii) Liquidity risk

The contractual maturities of financial liabilities and other commitments as at December 31, 2021 were as follows:

	<1 Year	>1 Year	Total
Financial liabilities			
Accounts payable and accrued liabilities	24,597	1,811	26,408
Loans and credit facilities excl. deferred fees on loans and credit facilities (note 13)	11,229	22,031	33,260
	35,826	23,842	59,668
Commitments			
Lease obligations (including variable operating costs)	427	1,775	2,202
Land and lot purchase contracts (note 19d and note 19e)	33,563	15,989	49,552
Levies and municipal fees (note 19b)	4,942	6,952	11,894
	38,932	24,716	63,648
	74,758	48,558	123,316

As at December 31, 2021, the Corporation had obligations due within the next 12 months of \$74,758 (December 31, 2020 - \$39,777). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the year ended December 31, 2021, the Corporation renewed two loans (note 13a and note 13e) and put in place a corporate revolving line of credit of \$50,000 (note 13c). Subsequent to December 31, 2021, the Corporation amended to increase the operating line of credit facility from \$6,500 to \$10,000 (note 13d) and renewed the corporate revolving line of credit (note 13c).

(iii) Market risk

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loans and credit facilities are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately \$239 annually on floating rate loans (2020 - \$28).

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

20. FINANCIAL INSTRUMENTS (continued)

b) Capital management

The Corporation's policy is to maintain a sufficient capital base in order to retain investor, creditor and market confidence and to sustain the future development of the business. The Corporation is in compliance with all externally imposed capital requirements.

The Corporation manages its capital structure and makes adjustments to it in light of changes in regional economic conditions and the risk characteristics of the underlying real estate industry within that region.

The Corporation considered its capital structure at the following dates to specifically include:

	2021	2020
Loans and credit facilities (note 13)	32,668	21,470
Shareholders' equity	228,624	187,676
	261,292	209,146

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

21. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the year ended December 31, 2021 and 2020:

Year ended December 31, 2021	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	41,076	203	(184)	41,095	92,416	(29,620)	103,891
Revenues - development lands	4,945	925	-	5,870	-	-	5,870
Direct cost of sales	(30,771)	(845)	-	(31,616)	(80,190)	29,620	(82,186)
Reversal of write-down of real estate held for development and sale	4,268	-	-	4,268	-	-	4,268
Gross margin	19,518	283	(184)	19,617	12,226	-	31,843
Gain in investments in land development entities	562	-	-	562	-	-	562
G&A, selling & marketing and net finance expense or income	(8,142)	(180)	184	(8,138)	(9,912)	-	(18,050)
Earnings before income taxes and non-controlling interest	11,938	103	-	12,041	2,314	-	14,355
Segmented assets as at December 31, 2021	276,751	13,895	(6,482)	284,164	39,527	1,238	324,929
Segmented liabilities as at December 31, 2021 ^{(1), (2)}	62,653	6,609	(2,288)	66,974	20,779	1,238	88,991
Segmented net assets as at December 31, 2021 ^{(1), (2)}	214,098	7,286	(4,194)	217,190	18,748	-	235,938

Year ended December 31, 2020	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	39,140	49	-	39,189	75,025	(26,909)	87,305
Revenues - development lands	16,308	320	-	16,628	-	-	16,628
Direct cost of sales	(37,612)	(338)	-	(37,950)	(65,540)	26,909	(76,581)
Write-down of real estate held for development and sale	(10,822)	-	-	(10,822)	(815)	-	(11,637)
Gross margin	7,014	31	-	7,045	8,670	-	15,715
G&A, selling & marketing and net finance expense or income	(6,971)	(436)	-	(7,407)	(8,560)	-	(15,967)
Earnings (loss) before income taxes and non-controlling interest	43	(405)	-	(362)	110	-	(252)
Segmented assets as at December 31, 2020	232,166	14,701	(6,320)	240,547	23,825	2,122	266,494
Segmented liabilities as at December 31, 2020 ^{(1), (2)}	57,181	2,744	(2,226)	57,699	6,913	2,122	66,734
Segmented net assets as at December 31, 2020 ^{(1), (2)}	174,985	11,957	(4,094)	182,848	16,912	-	199,760

⁽¹⁾ Segmented liabilities under the Genesis land development segment include \$3,113 due to the home building segment (December 31, 2020 - \$4,118 due from the land development segment to the home building segment).

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$2,288 (December 31, 2020 -\$2,226) due to Genesis.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

22. CONSOLIDATED ENTITIES

The Statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. The Corporation has less than 50% equity ownership in these limited partnership entities; however, the Corporation has control over these entities' activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements. Subsidiaries of the Corporation are general partners in three limited partnership group structures.

LPLP 2007 is a limited partnership controlled by the Corporation. In 2019, the Corporation completed a transaction with LPLP 2007, whereby the Corporation acquired the third-party, secured vendor-take-back mortgage receivable held by LPLP 2007. Consideration paid to LPLP 2007 included a cash payment of \$10,360 to LPLP 2007 by the Corporation, with the net proceeds were placed in the trust account of counsel to LPLP 2007 to be available for pro rata distribution its limited partners.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

22. CONSOLIDATED ENTITIES (continued)

All entities are incorporated in Canada and are listed in the following table:

Name	% equity interest as at	
	December 31, 2021	December 31, 2020
Land Development		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	0.0002%	0.0002%
Genesis Sage Meadows Partnership	99.9998%	99.9998%
Genesis Land Development (Southeast) Corp.	100%	100%
Genesis Keystone Ltd.	100%	100%
Polar Hedge Enhanced Income Trust	100%	100%
Genesis Land Development (Ricardo Ranch) Corp.	100%	100%
Sage Hill Crest Apartments Corp.	100%	0%
Home Building		
Genesis Builders Group Inc.	100%	100%
The Breeze Inc.	100%	100%
Joint Venture		
Kinwood Communities Inc.	50%	50%
Limited Partnerships		
LP 4/5 Group		
Genesis Limited Partnership #4 ⁽¹⁾	0.001%	0.001%
Genesis Limited Partnership #5, GLP5 GP Inc., GLP5 NE Calgary Development Inc.	0%	0%
Genesis Northeast Calgary Ltd.	100%	100%
LP 8/9 Group		
Genesis Limited Partnership #8 ⁽¹⁾	53.63%	53.63%
Genesis Limited Partnership #9, GP GLP9 Inc., GLP9 Subco Inc.	0%	0%
GP GLP8 Inc.	100%	100%
LPLP 2007 Group		
Limited Partnership Land Pool (2007)	0.023%	0.023%
GP LPLP 2007 Inc.	100%	100%
GP RRSP 2007 Inc., LPLP 2007 Subco Inc.	0%	0%
LPLP 2007 Subco #2 Inc., LP RRSP Limited Partnership #1	0%	0%
LP RRSP Limited Partnership #2	0%	0%

⁽¹⁾ The allocation of profit or loss is 0% in accordance with the terms of the limited partnership agreement.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

22. CONSOLIDATED ENTITIES (continued)

The following tables summarize the information relating to the Corporation's subsidiaries that have material non-controlling interests and may include inter-group balances that are eliminated on consolidation and become a component of the net non-controlling interest:

BALANCE SHEETS

	December 31, 2021			
	LP 4/5	LP 8/9	LPLP 2007	Total
Assets				
Real estate held for development and sale	9,564	-	-	9,564
Amounts receivable	-	-	6	6
Due from related parties	-	45	51	96
Other operating assets including restricted cash	-	-	4,198	4,198
Cash and cash equivalents	-	-	31	31
Total assets	9,564	45	4,286	13,895
Liabilities				
Accounts payable and accrued liabilities	3	45	4,273	4,321
Due to related parties	2,288	-	-	2,288
Total liabilities	2,291	45	4,273	6,609
Net assets	7,273	-	13	7,286
Non-controlling interest (%)	100%	100%	100%	

	December 31, 2020			
	LP 4/5	LP 8/9	LPLP 2007	Total
Assets				
Real estate held for development and sale	9,263	844	-	10,107
Amounts receivable	-	-	8	8
Other operating assets including restricted cash	-	100	4,458	4,558
Cash and cash equivalents	-	13	15	28
Total assets	9,263	957	4,481	14,701
Liabilities				
Customer deposits	-	100	-	100
Accounts payable and accrued liabilities	-	17	401	418
Due to related parties	1,805	248	173	2,226
Total liabilities	1,805	365	574	2,744
Net assets	7,458	592	3,907	11,957
Non-controlling interest (%)	100%	100%	100%	

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

22. CONSOLIDATED ENTITIES (continued)

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31, 2021			
	LP 4/5	LP 8/9	LPLP 2007	Total
Revenues	19	1,109	-	1,128
Net (loss) / earnings	(184)	211	76	103
Non-controlling interest (%)	100%	100%	100%	

	Year ended December 31, 2020			
	LP 4/5	LP 8/9	LPLP 2007	Total
Revenues	19	350	-	369
Net loss	(122)	(30)	(252)	(404)
Non-controlling interest (%)	100%	100%	100%	

SUMMARIZED STATEMENT OF CASH FLOWS

	Year ended December 31, 2021			
	LP 4/5	LP 8/9	LPLP 2007	Total
Cash flows (used in) / from operating activities	-	(13)	90	77
Cash flows used in financing activities	-	-	(74)	(74)
Net (decrease) / increase in cash and cash equivalents	-	(13)	16	3

	Year ended December 31, 2020			
	LP 4/5	LP 8/9	LPLP 2007	Total
Cash flows from operating activities	-	4	125	129
Cash flows used in financing activities	-	-	(119)	(119)
Net increase in cash and cash equivalents	-	4	6	10



Officers

IAIN STEWART
President and CEO

WAYNE KING
Chief Financial Officer

PARVESHINDERA SIDHU
President, Genesis Builders Group Inc.
and Vice-President, Home Building

ARNIE STEFANIUK
Vice-President, Land Development

BRIAN WHITWELL
Vice-President, Asset Management

Directors

STEPHEN J. GRIGGS
Chair

STEVEN GLOVER
Lead Director

MARK W. MITCHELL
Director

LOUDON OWEN
Director

IAIN STEWART
Director

Transfer Agent

**COMPUTERSHARE TRUST
COMPANY OF CANADA**
600, 530 - 8th Avenue SW
Calgary, AB T2P 3S8

Stock Exchange

TORONTO STOCK EXCHANGE
Stock Symbol – GDC

Auditors

MNP LLP
1500, 640 - 5th Avenue SW
Calgary, AB T2P 3G4

Corporate Office

Genesis Land Development Corp.
6240, 333 – 96 Ave NE
Calgary, AB T3K 0S3

Main 403 265 8079
Email info@genesisland.com

www.genesisland.com

GENESIS





GENESIS

GENESIS LAND DEVELOPMENT CORP.

6240, 333 – 96 AVENUE NE

CALGARY, AB T3K 0S3

MAIN: 403 265 8079

EMAIL: INFO@GENESISLAND.COM

WWW.GENESISLAND.COM